THE NATIONAL ARCHIVES
LITTERA SCRIPTA MANET
FEDERAL REGISTER
OF THE UNITED STATES 1934
VOLUME 17 NUMBER 243
Washington, Saturday, December 13, 1952

TITLE 6—AGRICULTURAL CREDIT

Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

Subchapter C—Loans, Purchases, and Other Operations

[1952 C. C. C. Grain Price Support Bulletin 1, Supp. 2, Rice]

PART 601—GRAINS AND RELATED COMMODITIES

SUBPART—1952-CROP RICE LOAN AND PURCHASE AGREEMENT PROGRAM

WAREHOUSE CHARGES ON SACKED IDENTITY-PRESERVED RICE

Regulations issued by the Commodity Credit Corporation and the Production and Marketing Administration published in 17 F. R. 5272, 7323, and containing the requirements for the 1952-Crop Rice Price Support Program are hereby supplemented by adding the following § 601.1861.

§ 601.1861 *Warehouse charges on sacked identity-preserved rice.* Notwithstanding any provisions to the contrary in 1952 C. C. C. Grain Price Support Bulletin 1, Supplement 1, in the case of sacked identity-preserved rice delivered to CCC under a warehouse-storage loan, CCC, in lieu of assuming the receiving and loading out charges, will assume unpiling, weighing, inspection, and repiling (or loading out, if load out is at time of delivery) up to, but not in excess of, the sum of the receiving and loading out charges specified in the applicable schedule of rates supplement.

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup. 714b. Interprets or applies sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; 15 U. S. C. Sup., 714c, 7 U. S. C. Sup., 1441, 1421)

Issued this 9th day of December 1952.

[SEAL] JOHN H. DEAN,
Acting Vice President,
Commodity Credit Corporation.

Approved:

LIONEL C. HOLM,
Acting President,
Commodity Credit Corporation.

[F. R. Doc. 52-13121; Filed, Dec. 12, 1952; 8:47 a. m.]

NOTICE

The National Archives Building will be officially closed on Monday, December 15, 1952, between 8:45 a. m. and 2:00 p. m. Notice is hereby given that no documents will be filed with the Federal Register Division, or made available for public inspection, during those hours.

[1952 C. C. C. Cotton Bulletin 1, Amdt. 3]

PART 607—COTTON

SUBPART—1952 COTTON PRICE SUPPORT PROGRAM

MISCELLANEOUS AMENDMENTS

The regulations issued by Commodity Credit Corporation and the Production and Marketing Administration published in 17 F. R. 4836 and containing the instructions and requirements with respect to the 1952 Cotton Price Support Program is hereby amended as follows:

1. Section 607.340 (a) is amended to provide that loan documents may be forwarded by the custodian to a trust or banking institution for collection, at the request of the holder of a Producer's Equity Transfer, so that amended paragraph (a) reads as follows:

§ 607.340 *Transfer of producer's interest*—(a) *Loans.* If a producer desires to sell his equity in one or more bales of cotton covered by a particular note, he may obtain a Producer's Equity Transfer (CCC Cotton Form AA) covering such bales only from the county committee in the county in which the cotton was produced. The purchaser of the equity will have seven days from the date of the equity transfer in which (1) to pay the amount due on the cotton or (2) to request in writing the custodian (the lending agency or the county committee holding the loan documents) to forward the warehouse receipts to a trust or banking institution for collection. If the warehouse receipts are forwarded to a trust or banking institution for collection, the amount due on the cotton must be repaid within seven days from the date of forwarding of the warehouse receipts. If the amount due is not paid within the ap-

(Continued on p. 11255)

CONTENTS

Agriculture Department Page
See Animal Industry Bureau; Commodity Credit Corporation; Federal Crop Insurance Corporation; Production and Marketing Administration.

Alien Property, Office of
Notices:
Vesting orders, etc.:
de Somoskeoy, Victor Henry Jr. 11359
Durler, Lorenz 11360
Englert, Marie Walfrieda 11359

Animal Industry Bureau
Rules and regulations:
Sanitary control of animal by-products (except casings), and hay and straw, offered for entry into the United States; hay: Importation from Canada 11256

Army Department
Rules and regulations:
Recruiting and enlistments; recruiting for the Regular Army; qualifications for enlistment 11320

Civil Aeronautics Administration
Rules and regulations:
Danger areas; alterations 11256

Commerce Department
See also Civil Aeronautics Administration; Federal Maritime Board; International Trade, Office of.
Notices:
Under Secretary of Commerce for Transportation 11353

Commodity Credit Corporation
Rules and regulations:
Cotton; 1952 cotton price support program; miscellaneous amendments 11253
Rice; 1952 crop rice loan and purchase agreement program; warehouse charges on sacked identity-preserved rice 11253

Defense Department
See also Army Department.
Rules and regulations:
Joint regulations of the Armed Forces; Government property; miscellaneous amendments 11315

FEDERAL REGISTER

Published daily, except Sundays, Mondays, and days following official Federal holidays, by the Federal Register Division, National Archives and Records Service, General Services Administration, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U. S. C., ch. 8B), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President. Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

The regulatory material appearing herein is keyed to the Code of Federal Regulations, which is published, under 50 titles, pursuant to section 11 of the Federal Register Act, as amended June 19, 1937.

The FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for $1.50 per month or $15.00 per year, payable in advance. The charge for individual copies (minimum 15¢) varies in proportion to the size of the issue. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington 25, D. C.

There are no restrictions on the republication of material appearing in the FEDERAL REGISTER.

Now Available

HANDBOOK OF EMERGENCY DEFENSE ACTIVITIES

OCTOBER 1952–MARCH 1953 EDITION

Published by the Federal Register Division, the National Archives and Records Service, General Services Administration

120 PAGES—30 CENTS

Order from Superintendent of Documents, United States Government Printing Office, Washington 25, D. C.

CONTENTS—Continued

Defense Mobilization, Office of Page
Notices:
Finding and determination of critical defense housing areas under the Defense Housing and Community Facilities and Services Act of 1951 (2 documents) 11356

Economic Stabilization Agency
See Price Stabilization, Office of; Rent Stabilization, Office of.

Federal Crop Insurance Corporation
Rules and regulations:
Multiple crop insurance; regulations for the 1950 and succeeding crop years 11257

Federal Maritime Board
Notices:
Skibsaktieselskapet Seattle and Rederi A.-B. Pulp; notice of cancellation of agreement by the Board 11353

Federal Power Commission Page
Notices:
Hearings, etc.:
Public Power and Water Corp. (2 documents) 11354
Selby, Edna L 11354
Smith, Jesse I 11354
Texas Eastern Transmission Corp 11353
Town of Boyce, La 11354

Federal Security Agency
See Food and Drug Administration.

Federal Trade Commission
Rules and regulations:
Rhodes Pharmacal Co., Inc., et al.; cease and desist order 11305

Food and Drug Administration
Rules and regulations:
Certification of batches of antibiotic and antibiotic-containing drugs; miscellaneous amendments 11306

Internal Revenue Bureau
Proposed rule making:
Collection of income tax at source on wages 11350
Excess profits tax; taxable years ending after June 30, 1950:
Clarification of treatment of taxpayer's liability for federal income and excess profits tax for purpose of determining both equity capital and equity invested capital 11350
Maximum tax for new corporations 11343
Television broadcasting companies 11347
Income tax; taxable years beginning after Dec. 31, 1941:
Compensation of certain members of Armed Forces; abatement of income tax for such members upon death 11340
Computation of net income; inventories under elective method 11341
Earned income from sources without the United States 11341
Rules and regulations:
Taxation pursuant to treaties:
New Zealand 11310
Norway 11307

International Trade, Office of
Rules and regulations:
Licensing policies and related special provisions; special provisions for rice 11304

Interstate Commerce Commission
Notices:
Applications for relief:
Crude sulphur from Louisiana and Texas to Calvert, Ky 11357
Ilmenite ore from Melbourne, Fla., to Carteret, N. J 11357
Motor-rail-motor rates between:
Boston, Mass., and New Haven, Conn 11358
Springfield, Mass., and Harlem River, N. Y 11358

Interstate Commerce Commission—Continued Page
Notices—Continued
Applications for relief—Con.
Paper from Palatka, Fla., to East St. Louis, Ill., and St. Louis, Mo 11358
Petroleum products from Pacific Coast territory to Butte and Helena, Mont 11358
Pig iron from Daingerfield and Lone Star, Tex., to Emporia, Enterprise, and Salina, Kans 11358
Shock absorbers and brake cylinders from Dayton, Ohio, to Woburn, Mass 11359
Soda ash from Saltville, Va., to Georgetown, S. C., and Savannah and Port Wentworth, Ga 11357
Rules and regulations:
Separation of operating expenses between freight and passenger services; steam railroads; separation of operating expenses, taxes, equipment rents, and joint facility rents between freight service and passenger service 11334

Justice Department
See Alien Property, Office of.

National Production Authority
Rules and regulations:
Basic rules of the priorities system; rescheduling of deliveries under NPA directives affected by work stoppage in steel industry (Reg. 2, Dir. 5) 11333

Petroleum Administration for Defense
Notices:
Establishment of comities and supply directives; revocation 11353

Post Office Department
Rules and regulations:
Forms of the Post Office Department; forms used by First Assistant Postmaster General 11320
International postal service: Postage rates, service available, and instructions for mailing (2 documents) 11320
Rural delivery 11320
Special delivery 11320

Price Stabilization, Office of
Notices:
Corps of Engineers, U. S. Army; ceiling prices for ship decking purchased for the U. S. Navy 11353
Rules and regulations:
Adjustment of ceiling prices for materials to the minimum prices fixed by State laws; cigarettes sold "out of stock" by wholesale tobacco distributors in Montana; ceiling prices revised to conform with the Montana unfair practices act (GOR 32, SO 11) 11332
South central hardwood and yellow cypress lumber (CPR 182) 11321

CONTENTS—Continued

Production and Marketing Administration Page
See also Commodity Credit Corporation.
Rules and regulations:
Lemons grown in California and Arizona; limitation of shipments 11304
Peanuts; county acreage allotments for the 1953 crop 11302
Rice; proclamations and determinations with respect to marketing quotas and acreage allotments on 1953 crop 11303

Rent Stabilization, Office of
Rules and regulations:
Defense-rental areas:
Michigan, New Jersey and Pennsylvania:
Housing 11333
Rooms 11333
New Jersey and Pennsylvania:
Hotels 11334
Motor courts 11334

Securities and Exchange Commission
Notices:
Hearings, etc.:
Arlington Gas Light Co 11355
Missouri Power & Light Co 11355
Ohio Edison Co 11355

Small Defense Plants Administration
Notices:
Request to Tri-State Industries, Inc., to operate as a small business production pool and request to certain companies to participate in operations of such pool 11357

Tariff Commission
Notices:
Public hearing ordered:
Rosaries 11356
Watch bracelets and parts thereof of metal other than gold or platinum 11357

Treasury Department
See Internal Revenue Bureau.

CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

Title 6 Page
Chapter IV:
Part 601 11253
Part 607 11253

Title 7
Chapter IV:
Part 420 11257
Chapter VII:
Part 729 11302
Part 730 11303
Chapter IX:
Part 953 11304

Title 9
Chapter I:
Part 95 11256

CODIFICATION GUIDE—Con.

Title 14 Page
Chapter II:
Part 608 11256

Title 15
Chapter III:
Part 373 11304

Title 16
Chapter I:
Part 3 11305

Title 21
Chapter I:
Part 146 11306

Title 26
Chapter I:
Part 7 (2 documents) 11307, 11310
Part 29 (proposed) (3 documents) 11340, 11341
Part 40 (proposed) (3 documents) 11343, 11347, 11350
Part 405 (proposed) 11350

Title 32
Chapter IV:
Part 412 11315
Chapter V:
Part 571 11320

Title 32A
Chapter III (OPS):
CPR 182 11321
GOR 32, SO 11 11332
Chapter VI (NPA):
Reg. 2, Dir. 5 11333
Chapter XXI (ORS):
RR 1 11333
RR 2 11333
RR 3 11334
RR 4 11334

Title 39
Chapter I:
Part 52 11320
Part 53 11320
Part 127 (2 documents) 11320
Part 155 11320

Title 49
Chapter I:
Part 121 11334

plicable prescribed period, the Producer's Equity Transfer shall be void and of no effect and if the warehouse receipts have been forwarded to a trust or banking institution for collection, such documents shall be returned to the custodian. No partial redemption of cotton listed on a Producer's Equity Transfer will be allowed. A producer may transfer his remaining interest in and right to redeem loan cotton only by the use of the prescribed Producer's Equity Transfer.

* * * * *

2. Section 607.342 is amended to provide that a State committee may determine a maximum larger than 200 bales to be stored in any farm storage structure so that the amended section reads as follows:

§ 607.342 *Safeguarding farm-storage cotton.* The producer obtaining a farm-storage loan is obligated to maintain the farm-storage structure in good repair and to keep the cotton in good condition. The producer will be responsible for any loss or damage occurring through the fault or negligence of the producer or any other person having control of the storage structure or as a result of any cause other than fire, flood, lightning, explosion, windstorm, cyclone, or tornado, except that he will not be responsible for loss in weight of not to exceed 10 pounds per bale which is due to natural shrinkage. The maximum amount of cotton stored in any structure shall be limited to 200 bales, unless the State committee determines that a larger maximum in the State is required to make the program more effective. The conversion or unlawful disposition by the producer of any bale of the cotton will render him personally liable for the payment of the mortgage indebtedness.

3. Section 607.349 (a) is amended to provide that loan documents may be forwarded by the custodian to a trust or banking institution for collection, at the request of the producer, so that the amended paragraph (a) reads as follows:

§ 607.349 *Repayment of loans and delivery under purchase agreements*—(a) *Loans.* Producers may repay loans at any time prior to maturity and secure the return of their collateral. Partial releases will be allowed. The loan documents will be located at the lending agency which made the loan or at the offices of the county committee in the county in which the cotton was produced. A producer may request in writing the custodian (the lending agency or the county committee holding the loan documents) to forward the warehouse receipts to a trust or banking institution for collection.

* * * * *

4. Section 607.350 is amended to provide that lending agencies which are not recognized banking institutions or Production Credit Associations may sell notes to lending agencies which are recognized banking institutions for tender to CCC, so that the amended section reads as follows:

§ 607.350 *Purchase of notes.* CCC will purchase from approved lending agencies notes evidencing loans which are secured by negotiable warehouse receipts, bills of lading and chattel mortgages. The purchase price to be paid by CCC will be the principal sums remaining due on such notes, plus an amount computed in accordance with the lending agency agreement to cover interest. Lending agencies are required to submit CCC Form 500 (Revised) or such other form as CCC may prescribe for all payments received on producers' notes and are required to remit to CCC its part of the interest collected, computed in accordance with the lending agency agreement. Lending agencies shall submit notes and reports to the county committee in the county in which the cotton was produced. County committees will purchase notes from lending agencies by drawing sight drafts on CCC. A lending agency which is a recognized banking institution or a Production Credit Association may, if the loan was made by such lending agency, (a) tender loan documents to CCC through the county committee at any time prior

to maturity, (b) maintain its investment in the loan and retain custody of the loan documents, or (c) sell its investment in the loans but retain custody of the loan documents and service the loans in accordance with the provisions of the Lending Agency Agreement. A lending agency which is not a recognized banking institution or Production Credit Association must tender all notes to CCC through the county committee in the county in which the cotton was produced within 15 days from the date of disbursement of the loans or, upon receipt of appropriate instructions from CCC, sell such notes to a lending agency which is a recognized banking institution. The banking institution must tender such notes to CCC through the county committee in the county in which the cotton was produced within 15 days from the date of disbursement of the loans to the producers. Loan documents in which lending agencies have retained their investment until maturity must be tendered to CCC through the county committee in the county in which the cotton was produced within 15 days after the maturity date. Loan documents held pursuant to the servicing feature of the Lending Agency Agreement must also be delivered to the county committee in the county in which the cotton was produced within 15 days after maturity of the loans.

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; 15 U. S. C. Sup. 714c, 7 U. S. C. Sup. 1441, 1421)

Issued this 9th day of December 1952.

[SEAL] JOHN H. DEAN,
Acting Vice President,
Commodity Credit Corporation.

Approved:

HAROLD K. HILL,
Acting President,
Commodity Credit Corporation.

[F. R. Doc. 52-13122; Filed, Dec. 12, 1952; 8:47 a. m.]

TITLE 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Bureau of Animal Industry, Department of Agriculture

Subchapter D—Exportation and Importation of Animals and Animal Products

[B. A. I. Order 371, Amdt. 3]

PART 95—SANITARY CONTROL OF ANIMAL BYPRODUCTS (EXCEPT CASINGS), AND HAY AND STRAW, OFFERED FOR ENTRY INTO THE UNITED STATES

IMPORTATION FROM CANADA

Pursuant to the authority vested in the Secretary of Agriculture by section 2 of the act of February 2, 1903, as amended (sec. 2, 32 Stat. 792, as amended, 21 U. S. C. 111), § 95.21 of the regulations governing the sanitary control of animal byproducts (except casings), and hay and straw, offered for entry into the United States (9 CFR 95.21), is hereby amended in the following respects:

1. The introductory paragraph of § 95.21 is amended to read:

§ 95.21 *Hay and straw; requirements for unrestricted entry.* Hay or straw which does not meet the conditions or requirements of paragraph (a), (b), (c), or (d) of this section shall not be imported except subject to handling and treatment in accordance with § 95.22 of this Part after arrival at the port of entry.

2. A new paragraph (d) is added to § 95.21 to read as follows:

(d) Hay for use as feeding material may be imported without other restriction from that area in Canada located east of the 85th meridian, west longitude, provided such hay was produced in said area and is transported directly from said area to a port of entry located east of the 85th meridian, west longitude, without passing through any area in Canada located west of the 85th meridian, west longitude.

Because of the critical shortage of hay for feeding purposes in the United States, the welfare of the livestock interests of the United States demands that this amendment be made effective immediately. Accordingly, pursuant to section 4 of the Administrative Procedure Act (5 U. S. C. 1003), it is found upon good cause that notice and public procedure concerning this amendment are impracticable and contrary to the public interest, and good cause is found, under the said section 4, for making the amendment effective less than 30 days after publication in the FEDERAL REGISTER. Such notice and hearing are not required by any other statute.

The foregoing amendment shall become effective upon publication in the FEDERAL REGISTER.

(Sec. 2, 32 Stat. 792, as amended; 21 U. S. C. 111)

Done at Washington, D. C., this 11th of December 1952.

[SEAL] C. J. MCCORMICK,
Acting Secretary of Agriculture.

[F. R. Doc. 52-13194; Filed, Dec. 11, 1952; 12:48 p. m.]

TITLE 14—CIVIL AVIATION

Chapter II—Civil Aeronautics Administration, Department of Commerce

[Amdt. 44]

PART 608—DANGER AREAS

ALTERATIONS

The danger area alterations appearing hereinafter have been coordinated with the civil operators involved, the Army, the Navy, and the Air Force, through the Air Coordinating Committee, Airspace Subcommittee, and are adopted to become effective when indicated in order to promote safety of the flying public. Since a military function of the United States is involved, compliance with the notice, procedures, and effective date provisions of section 4 of the Administrative Procedure Act is not required.

Part 608 is amended as follows:

1. In § 608.14, the Antioch, California, area (D-264), published on July 16, 1949, in 14 F. R. 4288, and amended on October 14, 1950, in 15 F. R. 6908, is further amended by changing the "Designated Altitudes" column to read: "Surface to unlimited".

2. In § 608.14, the Chocolate Mountains, California, area (D-304), published on March 17, 1950, in 15 F. R. 1510, amended on May 2, 1950, in 15 F. R. 2463, and on November 18, 1950, in 15 F. R. 7872, is further amended by changing the "Designated Altitudes" column to read: "Surface to unlimited", and by changing the "Time of Designation" column to read: "Continuous".

3. In § 608.75, the Parker, Colorado, area (D-195), published on July 16, 1949, in 14 F. R. 4289, is amended by changing the "Description by Geographical Coordinates" column to read: "Beginning at lat. 39°41'00'' N., long. 104°30'00'' W.; SE. to lat. 39°39'00'' N., long. 104°26'00'' W.; due S. to lat. 39°34'00'' N.; due W. to long. 104°40'42'' W.; due N. to lat 39'36'30'' N.; due W. to long. 104°41'48'' W.; due N. to lat. 39°37'30'' N.; due E. to long. 104°40'48'' W.; due N. to lat. 39°41'00'' N.; due E. to lat. 39°41'00'' N., long. 104°30'00'' W., point of beginning." The "Using Agency" column is amended to read: "Denver NAS, Denver, Colorado."

4. In § 608.36, the Black Rock Desert, Nevada, area (D-266), published on July 16, 1949, in 14 F. R. 4293, is amended by changing the "Designated Altitudes" column to read: "Surface to unlimited", by changing the "Time of Designation" column to read: "Continuous", and by changing the "Using Agency" column to read: "12th Naval District, San Francisco, California."

5. In § 608.36, the Tonopah, Nevada, area (D-271), published on July 16, 1949, in 14 F. R. 4293, amended on March 29, 1951, in 16 F. R. 2720, and on October 31, 1951, in 16 F. R. 11068, is amended by changing the "Description by Geographical Coordinates" column to read: "Beginning at lat. 37°53'00'' N., long. 116°11'00'' W.; due S. to lat. 37°42'00'' N.; due E. to long. 115°53'00'' W.; due S. to lat. 37°33'00'' N.; due E. to long. 115°48'00'' W.; due S. to lat. 37°17'00'' N.; due E. to long 115°18'00'' W.; due S. to lat. 36°41'00'' N.; due W. to long. 115°35'30'' W.; due S. to lat. 36°35'00'' N.; due W. to long. 115°42'00'' W.; due N. to lat. 36°41'00'' N.; due W. to long. 115°56'00'' W.; due N. to lat. 37°16'00'' N.; due W. to long. 116°13'00'' W.; due S. to lat. 36°41'00'' N.; due W. to long. 116°26'30'' W.; due N. to lat. 36°51'00'' N.; due W. to long. 116°33'30'' W.; N. W. to lat. 37°33'00'' N., long. 117°02'00'' W.; northerly to lat. 37°53'00'' N., long. 117°01'00'' W.; due E. to lat. 37°53'00'' N., long. 116°11'00'' W., point of beginning."

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interprets or applies sec. 601, 52 Stat. 1007, as amended; 49 U. S. C. 551)

This amendment shall become effective on December 18, 1952.

[SEAL] F. B. LEE,
Acting Administrator of Civil Aeronautics.

[F. R. Doc. 52-13113; Filed, Dec. 12, 1952; 8:45 a. m.]

TITLE 7—AGRICULTURE

Chapter IV—Federal Crop Insurance Corporation, Department of Agriculture

PART 420—MULTIPLE CROP INSURANCE

SUBPART—REGULATIONS FOR THE 1950 AND SUCCEEDING CROP YEARS

The following riders for the 1953 and succeeding crop years are hereby published pursuant to § 420.34, as amended, of the above-identified regulations (14 F. R. 5303, 6787; 15 F. R. 2485, 4161, 9033; 16 F. R. 579, 4300; 17 F. R. 2110, 2385, 5082, 5933, 8206, 10537). Any riders for those counties which have been published previously (14 F. R. 7827; 15 F. R. 2622, 3077, 9271; 16 F. R. 4829, 12111, 12765; 17 F. R. 3265, 3671) are hereby superseded for the 1953 and succeeding crop years.

A Rider No. 1 to the Multiple Crop Insurance Policy for each of the following counties:

Arkansas—§ 420.53.
Arkansas—§ 420.53–1.
Colorado—§ 420.55.
Conejos—§ 420.55–1.
Colorado—§ 420.55.
Morgan—§ 420.55–2.
Colorado—§ 420.55.
Otero—§ 420.55–3.
Colorado—§ 420.55.
Weld—§ 420.55–4.
Colorado—§ 420.55.
Las Animas—§ 420.55–5.
Delaware—§ 420.57.
Kent—§ 420.57–1.
Georgia—§ 420.59.
Jefferson—§ 420.59–4.
Illinois—§ 420.61.
Jasper—§ 420.61–1.
Illinois—§ 420.61.
Hamilton—§ 420.61–2.
Illinois—§ 420.61.
Saline—§ 420.61–4.
Illinois—§ 420.61.
Wayne—§ 420.61–5.
Indiana—§ 420.62.
Hamilton—§ 420.62–1.
Indiana—§ 420.62.
Spencer—§ 420.62–2.
Louisiana—§ 420.66.
Lafayette—§ 420.66–1.
Louisiana—§ 420.66.
St. Martin—§ 420.66–4.
Louisiana—§ 420.66.
Vermilion—§ 420.66–5.
Michigan—§ 420.70.
Gratiot—§ 420.70–1.
Michigan—§ 420.70.
Kent—§ 420.70–2.
Michigan—§ 420.70.
Montcalm—§ 420.70–3.
Michigan—§ 420.70.
Jackson—§ 420.70–4.
Michigan—§ 420.70.
Allegan—§ 420.70–5.
Michigan—§ 420.70.
Lapeer—§ 420.70–6.
Minnesota—§ 420.71.
Sherburne—§ 420.71–9.
Missouri—§ 420.73.
Knox—§ 420.73–2.
Missouri—§ 420.73.
Lewis—§ 420.73–3.
Nebraska—§ 420.75.
Pawnee—§ 420.75–1.
Nebraska—§ 420.75.
Antelope—§ 420.75–2.
Nebraska—§ 420.75.
Washington—§ 420.75–3.
New Jersey—§ 420.78.
Monmouth—§ 420.78–1.
New York—§ 420.80.
Monroe—§ 420.80–1.
Ohio—§ 420.83.
Ashtabula—§ 420.83–1.
Ohio—§ 420.83.
Clermont—§ 420.83–2.
Oklahoma—§ 420.84.
Cleveland—§ 420.84–1.
Oregon—§ 420.85.
Linn—§ 420.85–1.
Oregon—§ 420.85.
Malheur—§ 420.85–2.
Oregon—§ 420.85.
Marion—§ 420.85–3.
Pennsylvania—§ 420.86.
Lebanon—§ 420.86–1.
Tennessee—§ 420.90.
Franklin—§ 420.90–3.
Texas—§ 420.91.
Johnson—§ 420.91–1.
Texas—§ 420.91.
Runnels—§ 420.91–2.
Texas—§ 420.91.
Tarrant—§ 420.91–3.
Texas—§ 420.91.
Taylor—§ 420.91–4.
Utah—§ 420.92.
Emery—§ 420.92–2.
Wisconsin—§ 420.97.
Waupaca—§ 420.97–2.
Wyoming—§ 420.98.
Platte—§ 420.98–1.
Wyoming—§ 420.98.
Washakie—§ 420.98–2.

(Secs. 506, 516, 52 Stat. 73, 77, as amended; 7 U. S. C. and Sup. 1506, 1516)

[SEAL] JOHN W. BRAINARD,
Manager,
Federal Crop Insurance Corporation.

§ 420.53 *Arkansas.*

§ 420.53–1 *Arkansas County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Arkansas County, Ark., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn, including corn with which soybeans are interplanted. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Cotton, restricted to American upland cotton and not including cotton planted primarily for experimental purposes.

(c) Lespedeza (annual only) for hay or seed, including volunteer lespedeza.

(d) Oats (fall only) planted for harvest as grain. (Insurance on oats to attach the first crop year of the contract only if the application is filed on or before November 30 preceding the calendar year in which the crop for that crop year is normally harvested.)

(e) Rice planted for harvest.

(f) Soybeans planted for harvest as beans, excluding soybeans interplanted in the same row with corn.

2. *Coverage per acre.* (a) The coverage per acre for each insured crop, except cotton, shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

(b) The coverage per acre for cotton shall be reduced as follows: (1) 60 percent for any acreage which is released by the Corporation because of damage occurring prior to laying by the crop, and (2) 25 percent for any acreage on which the crop is laid by and not harvested.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop, except volunteer lespedeza in which case insurance shall attach on April 1 provided there is a stand at that time sufficient that farmers in the area generally would leave it for harvest the following harvest season. Insurance shall cease with respect to any portion of the hay crop upon baling or stacking, the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the cotton crop upon picking, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10 unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the applicable cancellation date. However, any production of corn, oats, rice, or soybeans which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop. Where vetch is grown with an insured small grain crop all production of vetch shall be counted as pro-

duction of such grain crop on a weight basis. Any production of soybeans interplanted in the same row with corn shall not be counted as production.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop except cotton.	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production (on the basis of hay for lespedeza) for such acreage which is in excess of the number of bushels, pounds, or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop except lespedeza and cotton.	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Lespedeza	Acreage not planted to a substitute crop.	The actual production of hay and seed for acreage harvested (except that the Corporation may count the appraised production for seed in place of the hay production for any cutting) and the appraised production (the appraisal for hay or the appraisal for seed, or both, whichever the Corporation elects) for (1) acreage pastured or (2) production not harvested.
4. Cotton	Acreage released by the Corporation because of damage occurring prior to laying by the crop.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
5. Cotton	Acreage on which the crop is laid by and not harvested.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
6. Cotton	Acreage harvested	Production, including an appraisal of production left in the field after harvest.
7. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the husbel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
8. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds, or tons harvested.
9. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for corn, oats, and soybeans; pounds for cotton, lespedeza seed, and rice; and tons (rounded to tenths) for hay.

Notwithstanding the other provisions of this paragraph (a) regarding the determination of the total production of cotton, in any case where the quality of any cotton production is reduced solely by insured causes to the extent that the value per pound, as determined by the Corporation, is less than 75 percent of the predetermined price, the number of pounds of such poor quality cotton shall be adjusted downward to the number of pounds obtained by dividing the total value of such cotton, as determined by the Corporation, by 75 percent of the predetermined price.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: October 31.

8. *Definitions.* For all purposes under the contract volunteer lespedeza for harvest within the crop year shall be considered to have been planted as of April 1.

In addition to the provisions of section 13 of the policy, any share of an insured crop paid or to be paid for irrigation water shall be considered for the purpose of determining insurance units only, as a part of the share of the insured.

"Harvest" with respect to any acreage of cotton means the removal (by manual or mechanical means) of an amount of cotton from the stalk which is equal in value (based on the predetermined price) to 10 percent or more of the coverage for such acreage.

9. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.55 *Colorado.*

§ 420.55–1 *Conejos County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Conejos County, Colo., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Alfalfa hay (insurance on hay to attach the first crop year of the contract only if the application is filed on or before August 31 preceding the calendar year in which the crop for that crop year is normally harvested).

(b) Barley planted for harvest as grain (insurance on winter barley to attach the first crop year of the contract only if the application is filed on or before August 31 preceding the calendar year in which the crop for that crop year is normally harvested).

(c) Oats planted for harvest as grain (insurance on winter oats to attach the first crop year of the contract only if the application is filed on or before August 31 preceding the calendar year in which the crop for that crop year is normally harvested).

(d) Wheat planted for harvest as grain (insurance on winter wheat to attach the first crop year of the contract only if the application is filed on or before August 31 preceding the calendar year in which the crop for that crop year is normally harvested).

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop except alfalfa in which case insurance shall attach on November 1 (preceding harvest) provided there is a stand at that time sufficient that farmers in the area generally would leave it for harvest the following harvest season. Insurance shall cease with respect to any portion of the hay crop upon baling or stacking, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the applicable cancellation date. However, any production of barley, oats or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of any appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop minus the number of bushels or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for barley, oats, and wheat, and tons (rounded to tenths) for hay.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Irrigated acreage.* (a) In addition to the provisions of section 4 of the policy, the following provisions shall apply: (1) The acreage of insured crops in any year shall not exceed that acreage which can be irrigated adequately with the facilities available and with a supply of irrigation water which reasonably could be expected, taking into consideration the amount of water required to irrigate the acreage of all irrigated crops on the farm. (2) Insurance shall not attach with respect to (i) acreage planted to insurable crops the first year after being leveled, (ii) acreage the first year such acreage is irrigated.

(b) In addition to the causes of loss insured against as shown on the first page of the policy, the contract shall cover loss due to failure of the water supply from natural causes that could not be foreseen and prevented by the insured.

(c) In addition to the causes of loss not insured against as shown in section 8 of the policy, the contract shall not cover loss caused by (1) failure properly to apply irrigation water to any insurable crop in accordance with good farming practices, as determined by the Corporation, and (2) shortage of irrigation water on any farm where the Corporation determines that the total acreage of all irrigated crops on the farm is in excess of that which could be irrigated properly with the facilities available and with the supply of irrigation water which reasonably could be expected.

8. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: July 31.

9. *Definitions.* Notwithstanding the provisions of section 24 (d) "crop year" with respect to alfalfa means each 12-month period beginning with the first day of the insurance period and shall be designated by reference to the calendar year in which the crop is normally harvested.

For all purposes under the contract alfalfa for harvest within the crop year shall be considered to have been planted as of the beginning of the insurance period for that crop year.

10. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.55–2 *Morgan County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Morgan County, Colo., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley (spring only) planted for harvest as grain.

(b) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time reasonably to expect the corn to mature as grain as determined by the Corporation.

(c) Dry edible beans (Pinto).

(d) Grain sorghums planted for harvest as grain.

(e) Oats (spring only) planted for harvest as grain.

(f) Potatoes (excluding acreage of less than one acre on an insurance unit) commonly known as Irish potatoes.

(g) Wheat planted for harvest as grain. (Insurance on winter wheat to attach the first crop year of the contract only if the application is filed on or before August 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the potato crop upon digging, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of barley, corn (as set forth below), grain sorghums, oats, potatoes or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or

support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order for corn to be so evaluated for poor quality it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder. In order to provide quality protection on dry edible beans, production of beans shall be determined on the basis of sound whole beans.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subect to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any grain sorghum may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of grain sorghums used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for barley, corn grain, oats, and wheat, pounds for beans, grain sorghums, and potatoes, and in tons (rounded to tenths) for corn silage.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forefited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forefited by the insured.

7. *Irrigated acreage.* (a) In addition to the provisions of section 4 of the policy, where insurance is written on the basis of irrigated coverage the following provisions shall apply: (1) The acreage of insured crops which shall be insured on an irrigated basis in any year shall not exceed that acreage which can be irrigated adequately with the facilities available and with a supply of irrigation water which could reasonably be expected, taking into consideration the amount of water required to irrigate the acreage of all irrigated crops on the farm; (2) insurance shall not attach with respect to acreage planted to insurable crops (i) the first year after being leveled, or (ii) the first year such acreage is irrigated.

(b) In addition to the causes of loss insured against as shown on the first page of the policy, the contract shall cover loss due to failure of the water supply from natural causes that could not be foreseen and prevented by the insured.

(c) In addition to the causes of loss not insured against as shown in section 8 of the policy, the contract shall not cover loss caused by (1) failure properly to apply irrigation water to any insurable crop in accordance with good farming practices, as determined by the Corporation (2) shortage of irrigation water on any farm where the Corporation determines that the total acreage of all irrigated crops on the farm is in excess of that which could be irrigated properly with the facilities available and with the supply of irrigation water which reasonably could be expected.

8. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: July 31.

9. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.55–3 *Otero County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Otero County, Colo., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley planted for harvest as grain. (Insurance on winter barley to attach the first crop year of the contract only if the application is filed on or before August 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

(b) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time reasonably to expect the corn to mature as grain as determined by the Corporation.

(c) Dry edible beans (Pinto).

(d) Dry onions (excluding acreage of less than one acre on an insurance unit) grown from seed.

(e) Grain sorghums planted for harvest as grain.

(f) Oats planted for harvest as grain. (Insurance on winter oats to attach the first crop year of the contract only if the application is filed on or before August 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

(g) Wheat planted for harvest as grain. (Insurance on winter wheat to attach the first crop year of the contract only if the application is filed on or before August 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insured acreage of onions.* In addition to the provisions of section 4 of the policy, for any crop year the Corporation reserves the right to limit the insured acreage of onions on any insurance unit to an acreage not less than the average acreage of onions

which the Corporation determines was planted thereon during the 3-year period immediately preceding such crop year.

4. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the onion crop upon pulling, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

5. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of barley, corn, (as set forth below), grain sorghums, oats, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order for corn to be so evaluated for poor quality it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder. In order to provide quality protection on dry edible beans, production of beans shall be determined on the basis of sound whole beans.

6. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any grain sorghum may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

7. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds, or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of grain sorghums used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds, or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for barley, corn grain, oats and wheat, pounds for beans, grain sorghums and onions, and in tons (rounded to tenths) for corn silage.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

8. *Irrigated acreage.* (a) In addition to the provisions of section 4 of the policy the following provisions shall apply: (1) The acreage of insured crops which shall be insured in any year shall not exceed that acreage which can be irrigated adequately with the facilities available and with a supply of irrigation water which reasonably could be expected, taking into consideration the amount of water required to irrigate the acreage of all irrigated crops on the farm, and (2) insurance shall not attach with respect to acreage planted to insurable crops (i) the first year after being leveled or (ii) the first year such acreage is irrigated.

(b) In addition to the causes of loss insured against as shown on the first page of the policy, the contract shall cover loss due to failure of the water supply from natural causes that could not be foreseen and prevented by the insured.

(c) In addition to the causes of loss not insured against as shown in section 8 of the policy, the contract shall not cover loss caused by (1) failure properly to apply irrigation water to any insurable crop in accordance with good farming practices, as determined by the Corporation, and (2) shortage of irrigation water on any farm where the Corporation determines that the total acreage of all irrigated crops on the farm is in excess of that which could be irrigated properly with the facilities available and with the supply of irrigation water which reasonably could be expected.

9. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: July 31.

10. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.55–4 *Weld County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Weld County, Colo., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley (spring only) planted for harvest as grain.

(b) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in

time reasonably to expect the corn to mature as grain, as determined by the Corporation.

(c) Dry edible beans (Pinto).

(d) Oats (spring only) planted for harvest as grain.

(e) Potatoes (excluding acreage of less than one acre on an insurance unit) commonly known as Irish potatoes.

(f) Wheat planted for harvest as grain. (Insurance on winter wheat to attach the first crop year of the contract only if the application is filed on or before August 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the potato crop upon digging, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of barley, corn, (as set forth below), oats, potatoes, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be be evaluated at a value per unit determined by the Corporation. In order for corn to be so evaluated for poor quality it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder. In order to provide quality protection on dry edible beans, production of beans will be determined on the basis of sound whole beans.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production of such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that any production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels pounds, or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production including an appraisal of corn left in the field after harvest.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for barley, oats and wheat, pounds for beans and potatoes, and in bushels for corn grain or tons (rounded to tenths) for corn silage, whichever is applicable.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Irrigated acreage.* (a) In addition to the provisions of section 4 of the policy, where insurance is written on the basis of irrigated coverage the following provisions shall apply: (1) The acreage of insured crops which shall be insured on an irrigated basis in any year shall not exceed that acreage which can be irrigated adequately with the facilities available and with a supply of irrigation water which reasonably could be expected, taking into consideration the amount of water required to irrigate the acreage of all irrigated crops on the farm, and (2) insurance shall not attach with respect to acreage planted to insurable crops (i) the first year after being leveled or (ii) the first year such acreage is irrigated.

(b) In addition to the causes of loss insured against as shown on the first page of the policy, the contract shall cover loss due to failure of the water supply from natural causes that could not be foreseen and prevented by the insured.

(c) In addition to the causes of loss not insured against as shown in section 8 of the policy, the contract shall not cover loss caused by (1) failure properly to apply irrigation water to any insurable crop in accordance with good farming practices, as determined by the Corporation and (2) shortage of irrigation water on any farm where the Corporation determines that the total acreage of all irrigated crops on the farm is in excess of that which could be irrigated properly with the facilities available and with the supply of irrigation water which reasonably could be expected.

8. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: July 31.

9. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.55–5 *Las Animas County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Las Animas County, Colo., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley planted for harvest as grain. (Insurance on winter barley to attach the first crop year of the contract only if the application is filed on or before August 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

(b) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time reasonably to expect the corn to mature as grain as determined by the Corporation.

(c) Dry edible beans. (Pinto.)

(d) Grain sorghums planted for harvest as grain or silage.

(e) Wheat planted for harvest as grain. (Insurance on winter wheat to attach the first crop year of the contract only if the application is filed on or before August 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of barley, corn, or grain sorghums (as set forth below), or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order for corn or grain sorghums to be so evaluated for poor quality it must be of a variety adapted to the production of grain and must be harvested as grain or fodder. In order to provide quality protection on dry edible beans, production of beans shall be determined on the basis of sound whole beans.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. Production of grain sorghums shall be counted as grain, except that production for any grain sorghums harvested for silage and the appraised production for any grain sorghums not adapted to the production of grain and not harvested as silage shall be counted as silage. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage release by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds, or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a susbtitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds, or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for barley and wheat; pounds for beans; bushels for corn grain or in tons (rounded to tenths) for corn silage; and for grain sorghums pounds for grain or in tons (rounded to tenths) for silage.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Irrigated acreage.* (a) In addition to the provisions of section 4 of the policy, where insurance is written on the basis of irrigated coverage the following provisions shall apply: (1) The acreage of insured crops which shall be insured on an irrigated basis in any year shall not exceed that acreage which can be irrigated adequately with the facilities available and with a supply of irrigation water which reasonably could be expected, taking into consideration the amount of water required to irrigate the acreage of all irrigated crops on the farm, and (2) insurance shall not attach with respect to acreage planted to insurable crops, (i) the first year after being leveled or (ii) the first year such acreage is irrigated.

(b) In addition to the causes of loss insured against as shown on the first page of the policy, the contract shall cover loss due to failure of the water supply from natural causes that could not be foreseen and prevented by the insured.

(c) In addition to the causes of loss not insured against as shown in section 8 of the policy, the contract shall not cover loss caused by (1) failure properly to apply irrigation water to any insurable crop in accordance with good farming practices, as determined by the Corporation, and (2) shortage of irrigation water on any farm where the Corporation determines that the total acreage of all irrigated crops on the farm is in excess of that which could be irrigated properly with the facilities available and with the supply of irrigation water which reasonably could be expected.

8. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: July 31.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.57 *Delaware.*

§ 420.57–1 *Kent County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Kent County, Del., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley planted for harvest as grain. (Insurance on barley to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

(b) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(c) Soybeans planted for harvest as beans.

(d) Wheat planted for harvest as grain. (Insurance on wheat to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of barley, corn, soybeans, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provisions of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) substracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for all crops.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.59 *Georgia.*

§ 420.59–4 *Jefferson County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Jefferson County, Ga., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn, including corn with which soybeans or velvetbeans are interplanted. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Cotton, restricted to American upland cotton and not including cotton planted primarily for experimental purposes.

(c) Oats (fall planted only) planted for harvest as grain. (Insurance on oats to attach the first crop year of the contract only if the application is filed on or before November 30 preceding the calendar year in which the crop for that crop year is normally harvested.)

(d) Peanuts, Spanish and Runner planted for harvest as nuts (excluding acreages of less than one acre on an insurance unit).

(e) Winter wheat seeded for harvest as grain. (Insurance on wheat to attach the first crop year of the contract only if the application is filed on or before November 30 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* (a) The coverage per acre for each insured crop, except cotton, shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

(b) The coverage per acre for cotton shall be reduced as follows: (1) 60 percent for any acreage which is released by the Corporation because of damage occurring prior to laying by the crop, and (2) 25 percent for any acreage on which the crop is laid by and not harvested.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from

the stalk either by hand or machine or cutting the corn for fodder or ensilage), the cotton crop upon picking, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10 unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of corn, oats, peanuts or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop. Where vetch is grown with an insured small grain crop all production of vetch shall be counted as production of such grain crop on a weight basis.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop except cotton.	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the numher of hushels or pounds determined by (1) suhtracting the total coverage for such acreage from what the total coverage for such acreage would he if it were not planted to a suhstitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop except cotton.	Acreage not planted to a substitute crop.	The appraised production or the actual production for such acreage, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Cotton	Acreage released by the Corporation hecause of damage occurring prior to laying hy the crop.	That portion of the appraised production for such acreage which is in excess of the number of pounds determined hy (1) suhtracting the total coverage for such acreage from what the total coverage for such acreage would he if it were harvested and (2) dividing the result thus ohtained by the predetermined price.
4. Cotton	Acreage on which the crop is laid hy and not harvested.	That portion of the appraised production for such acreage which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus ohtained by the predetermined price.
5. Cotton	Acreage harvested	Production, including an appraisal of production left in the field after harvest.
6. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel or pound equivalent of the coverage per acre on the basis of the predetermined price for the crop.
7. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels or pounds by which production for such acreage has heen reduced but not less than the product of (1) such acreage and (2) the applicable bushel or pound equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels or pounds harvested.
8. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of hushels or pounds hy which production for such acreage has been reduced hecause of cause(s) not insured against.

[1] Production and allowances shall be in bushels for corn, oats and wheat; and pounds for cotton and peanuts.

Notwithstanding the other provisions of this paragraph (a) regarding the determination of the total production of cotton, in any case where the quality of any cotton production is reduced solely by insured causes to the extent that the value per pound, as determined by the Corporation, is less than 75 percent of the predetermined price, the number of pounds of such poor quality cotton shall be adjusted downward to the number of pounds obtained by dividing the total value of such cotton, as determined by the Corporation, by 75 percent of the predetermined price.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

8. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: October 31.

9. *Definitions.* "Harvest" with respect to any acreage of cotton means the removal (by manual or mechanical means) of an amount of cotton from the stalk which is equal in value (based on the predetermined price) to 10 percent or more of the coverage for such acreage.

10. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.61 *Illinois.*

§ 420.61–1 *Jasper County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Jasper County, Ill., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Soybeans planted for harvest as beans.

(c) Winter wheat planted for harvest as grain. (Insurance on wheat to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced

50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the applicable cancellation date. However, any production of corn, soybeans, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appeal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and, (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels harvested
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels by which production or such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for all crops.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

8. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.61–2 *Hamilton County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Hamilton County, Ill., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Soybeans planted for harvest as beans.

(c) Winter wheat planted for harvest as grain. (Insurance on wheat to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the applicable cancellation date. However, any production of corn, soybeans, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for all crops.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

8. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance Contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.61–4 *Saline County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Saline County, Ill., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Soybeans planted for harvest as beans.

(c) Winter wheat planted for harvest as grain. (Insurance on wheat to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the applicable cancellation date. However, any production of corn, soybeans, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for all crops.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

8. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance Contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.61–5 *Wayne County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Wayne County, Ill., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Soybeans planted for harvest as beans.

(c) Winter wheat planted for harvest as grain. (Insurance on wheat to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the applicable cancellation date. However, any production of corn, soybeans, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels harvested.

[1] Production shall be in bushels for all crops.

PRODUCTION SCHEDULE—Continued

Crop	Acreage classification	Total production [1]
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for all crops.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

8. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance Contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.62 *Indiana.*

§ 420.62–1 *Hamilton County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Hamilton County, Ind., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Oats planted for harvest as grain.

(c) Soybeans planted for harvest as beans.

(d) Winter wheat planted for harvest as grain. (Insurance to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of corn, oats, soybeans, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per bushel determined by the Corporation.

5. *Released crop.* Notwithstanding any other provisions of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production of such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for all crops.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.62–2 *Spencer County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Spencer County, Ind., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley planted for harvest as grain.

(b) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(c) Oats planted for harvest as grain.

(d) Soybeans planted for harvest as beans.

(e) Tobacco—types 31 and 35.

(f) Winter wheat planted for harvest as grain. (Insurance to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to (a) any portion of the tobacco crop upon weighing-in at the tobacco warehouse, transfer of interest in the tobacco after harvest, removal of the tobacco from the insurance unit (except for curing, packing or immediate delivery to the tobacco warehouse), or weighing of the tobacco for casing, and (b) any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop (except tobacco) upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to tobacco later than February 28 following harvest, unless such time is extended in writing by the Corporation, (b) with respect to any other crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (c) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of barley, corn, oats, soybeans or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per bushel determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels or pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel or pound equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel or pound equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels or pounds harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for barley, corn, oats, soybeans, and wheat, and pounds for tobacco.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.66, *Louisiana.*

§ 420.66–1, *Lafayette Parish.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Lafayette Parish, La., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn, including corn with which soybeans are interplanted. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Cotton, restricted to American upland cotton and not including cotton planted primarily for experimental purposes.

(c) Rice planted for harvest.

(d) Sugarcane, including acreage harvested for seed, and excluding (i) acreage of less than one acre on an insurance unit and (ii) acreage on which three successive crops have been harvested from one planting. (Insurance on sugarcane to attach the first crop year of the contract only if the application is filed on or before November 30 immediately preceding the closing date for that crop year.)

(e) Sweet potatoes (excluding acreage of less than one acre on an insurance unit).

2. *Coverage per acre.* (a) The coverage per acre for each insured crop, except cotton, shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

(b) The coverage per acre for cotton shall be reduced as follows: (1) 60 percent for any acreage which is released by the Corporation because of damage occurring prior to laying by the crop, and (2) 25 percent for any acreage on which the crop is laid by and not harvested.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the cotton crop upon picking, the rice crop upon threshing, the sugarcane crop upon cutting, the sweet potato crop upon digging, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10 (January 31 following the normal time of harvest for sugarcane) unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of corn or rice which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop except cotton.	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds, or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitue crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop except cotton.	Acreage not planted to a substitute crop.	The appraised production or the actual production including an appraisal of corn and sweet potatoes left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Cotton	Acreage released by the Corporation because of damage occurring prior to laying by the crop.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
4. Cotton	Acreage on which the crop is laid by and not harvested.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
5. Cotton	Acreage harvested	Production, including an appraisal of production left in the field after harvest.
6. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
7. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds, or tons harvested.
8. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for corn and sweet potatoes, pounds for cotton and rice, and tons (rounded to tenths), for sugarcane. If any part of the sugarcane production from the insurance unit is processed for sugar, the total number of tons of sugarcane shall be adjusted to standard sugarcane (as determined in accordance with regulations issued by the U. S. Department of Agriculture for the crop year involved).

Notwithstanding the other provisions of this paragraph (a) regarding the determination of the total production of cotton, in any case where the quality of any cotton production is reduced solely by insured causes to the extent that the value per pound, as determined by the Corporation, is less than 75 percent of the predetermined price, the number of pounds of such poor quality cotton shall be adjusted downward to the number of pounds obtained by dividing the total value of such cotton, as determined by the Corporation, by 75 percent of the predetermined price.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: October 31.

8. *Definitions.* (a) "County" means parish in Louisiana.

(b) For all purposes under the contract sugarcane for harvest within the crop year shall be considered to have been planted as follows: (1) the first crop from seed, on the date the planting operation is actually accomplished, and (2) second and third year crops on November 1 preceding the calendar year in which the crop is normally harvested.

(c) "Harvest" with respect to any acreage of cotton means the removal (by manual or mechanical means) of an amount of cotton from the stalk which is equal in value (based on the predetermined price) to 10 percent or more of the coverage for such acreage.

9. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over

indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.66-4 *St. Martin Parish.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in St. Martin Parish, La., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn, including corn with which soybeans are interplanted. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Cotton, restricted to American upland cotton and not including cotton planted primarily for experimental purposes.

(c) Rice planted for harvest.

(d) Sugarcane, including acreage harvested for seed, and excluding (i) acreage of less than one acre on an insurance unit and (ii) acreage on which three successive crops have been harvested from one planting. (Insurance on sugarcane to attach the first crop year of the contract only if the application is filed on or before November 30 immediately preceding the closing date for that crop year.)

(e) Sweet potatoes (excluding acreage of less than one acre on an insurance unit).

2. *Coverage per acre.* (a) The coverage per acre for each insured crop, except cotton, shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

(b) The coverage per acre for cotton shall be reduced as follows: (1) 60 percent for any acreage which is released by the Corporation because of damage occurring prior to laying by the crop and (2) 25 percent for any acreage on which the crop is laid by and not harvested.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the cotton crop upon picking, the rice crop upon threshing, the sugarcane crop upon cutting the sweetpotato crop upon digging, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10 (January 31 following the normal time of harvest for sugarcane) unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of corn or rice which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop except cotton	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds, or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop except cotton.	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn and sweetpotatoes left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Cotton	Acreage released by the Corporation because of damage occurring prior to laying by the crop.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
4. Cotton	Acreage on which the crop is laid by and not harvested.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
5. Cotton	Acreage harvested	Production, including an appraisal of production left in the field after harvest.
6. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
7. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds, or tons harvested.
8. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for corn and sweet potatoes, pounds for cotton and rice, and tons, (rounded to tenths), for sugarcane. If any part of the sugarcane production from the insurance unit is processed for sugar, the total number of tons of sugarcane shall be adjusted to standard sugarcane (as determined in accordance with regulations issued by the U. S. Department of Agriculture for the crop year involved).

Notwithstanding the other provisions of this paragraph (a) regarding the determination of the total production of cotton, in any case where the quality of any cotton production is reduced solely by insured causes to the extent that the value per pound, as determined by the Corporation, is less than 75 percent of the predetermined price, the number of pounds of such poor quality cotton shall be adjusted downward to the number of pounds obtained by dividing the total value of such cotton, as determined by the Corporation, by 75 percent of the predetermined price.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.

Maturity date: July 31.

Interest date: October 31.

Cancellation date: October 31.

8. *Definitions.* (a) "County" means parish in Louisiana.

(b) For all purposes under the contract sugarcane for harvest within the crop year shall be considered to have been planted as follows: (1) the first crop from seed, on the

date the planting operation is actually accomplished, and (2) second and third year crops on November 1 preceding the calendar year in which the crop is normally harvested.

(c) "Harvest" with respect to any acreage of cotton means the removal (by manual or mechanical means) of an amount of cotton from the stalk which is equal in value (based on the predetermined price) to 10 percent or more of the coverage for such acreage.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.66–5 *Vermilion Parish.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Vermilion Parish, La., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn, including corn with which soybeans are interplanted. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Cotton, restricted to American upland cotton and not including cotton planted primarily for experimental purposes.

(c) Rice planted for harvest.

(d) Sugarcane, including acreage harvested for seed, and excluding (i) acreage of less than one acre on an insurance unit and (ii) acreage on which three successive crops have been harvested from one planting. (Insurance on sugarcane to attach the first crop year of the contract only if the application is filed on or before November 30 immediately preceding the closing date for that crop year.)

(e) Sweetpotatoes (excluding acreage of less than one acre on an insurance unit).

2. *Coverage per acre.* (a) The coverage per acre for each insured crop, except cotton, shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

(b) The coverage per acre for cotton shall be reduced as follows: (1) 60 percent for any acreage which is released by the Corporation because of damage occurring prior to laying by the crop and (2) 25 percent for any acreage on which the crop is laid by and not harvested.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the cotton crop upon picking, the rice crop upon threshing, the sugarcane crop upon cutting, the sweet potato crop upon digging, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10 (January 31 following the normal time of harvest for sugarcane) unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of corn or rice which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield..

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop except cotton.	Acreage released hy the Corporation and planted to a substitute crop.	Tbat portion of the appraised production for such acreage which is in excess of the numher of hushels, pounds, or tons, determined hy (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would he if it were not planted to a substitute crop, and (2) dividing the result thus ohtained by tbe predetermined price for the crop.
2. Each insured crop except cotton.	Acreage not planted to a substitutc crop.	The appraised production of the actual production, including an appraisal of corn and sweet potatoes left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Cotton	Acreage released by the Corporation hecause of damageoccurring prior to laying by the crop.	Tbat portion of the appraised production wbich is in excess of the numher of pounds determined hy (1) suhtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus ohtained by the predetermined price.
4. Cotton	Acreage on wbicb tbc crop is laid by and not barvested.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus ohtained by the predetermined price.
5. Cotton	Acreage barvested	Production, including an appraisal of production left in the field after harvest.
6. Each insured crop	Acreage put to another use without the consent of tbe Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
7. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of hushels, pounds, or tons by which production for such acreage has heen reduced but not less than the product of (1) such acreage and (2) the applicahle hushel, pound or ton equivalent of the coverage per acre on the hasis of thc predetermined price for the crop, minus the number of bushels, pounds or tons harvested.
8. Eacb insured crop	Acreage witb reduced yield due partially to causc(s) not insured against and partially to cause(s) insured against.	Appraised numher of hushels, pounds, or tons hy which production for such acreage has been reduced hecause of causc(s) not insured against.

[1] Production and allowances shall be in hushels for corn and sweet potatoes, pounds for cotton and ricc, and tons (rounded to tentbs), for sugarcane. If any part of the sugarcane production from the insurance unit is processed for sugar, the total numher of tons of sugarcane shall he adjusted to standard sugarcane (as determined in accordance with regulations issued hy the U. S. Department of Agriculture for the crop year involved).

Notwithstanding the other provisions of this paragraph (a) regarding the determination of the total production of cotton, in any case where the quality of any cotton production is reduced solely by insured causes to the extent that the value per pound, as determined by the Corporation, is less than 75 percent of the predetermined price, the number of pounds of such poor quality cotton shall be adjusted downward to the number of pounds obtained by dividing the total value of such cotton, as determined by the Corporation, by 75 percent of the predetermined price.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: October 31.

8. *Definitions.* (a) "County" means parish in Louisiana.

(b) For all purposes under the contract sugercane for harvest within the crop year shall be considered to have been planted as follows: (1) the first crop from seed, on the date the planting operation is actually accomplished, and (2) second and third year crops on November 1 preceding the calendar year in which the crop is normally harvested.

(c) "Harvest" with respect to any acreage of cotton means the removal (by manual or mechanical means) of an amount of cotton from the stalk which is equal in value (based on the predetermined price) to 10 percent or more of the coverage for such acreage.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.70 *Michigan.*

§ 420.70–1 *Gratiot County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Gratiot County, Mich., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley planted for harvest as grain.

(b) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time reasonably to expect the corn to mature as grain as determined by the Corporation.

(c) Dry edible beans (Pea and medium white).

(d) Oats planted for harvest as grain.

(e) Soybeans planted for harvest as beans.

(f) Winter wheat planted for harvest as grain. (Insurance to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of barley, corn (as set forth below), oats, soybeans, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order for corn to be so evaluated for poor quality it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder. In order to provide quality protection on dry edible beans, production of beans shall be determined on the basis of sound whole beans.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released hy the Corporation and planted to a suhstitute crop.	That portion of the appraised production for such acreage which is in excess of the numher of hushels, pounds, or tons determined hy (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would he if it were not planted to a suhstitute crop, and (2) dividing the result thus ohtained hy the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production including an appraisal of corn left in the field after harvest.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage hut not less than the product of (1) such acreage and (2) the hushel, pound, or ton equivalent of the coverage per acre on the hasis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced hut not less than the product of (1) such acreage and (2) the applicahle hushel, pound or ton equivalent of the coverage per acre on the hasis of the predetermined price for the crop, minus the number of bushels, pounds or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds or tons by which productfon for such acreage has heen reduced because of cause(s) not insured against.

[1] Production shall be in hushels for barley, oats, soybeans and wheat, pounds for beans, and in bushels for corn grain or in tons (rounded to tenths) for corn silage, whichever is applicable.

(b) If the production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.70–2 *Kent County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Kent County, Mich., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Alfalfa hay, including any mixture of alfalfa and brome. (Insurance on hay to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

(b) Clover hay, including any mixture of clover and timothy. (Insurance on hay to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

(c) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time reasonably to expect the corn to mature as grain as determined by the Corporation.

(d) Dry edible beans (pea, medium white, red kidney, cranberry, and yellow eye).

(e) Oats planted for harvest as grain.

(f) Winter wheat planted for harvest as grain. (Insurance to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop except hay, in which case insurance shall attach on November 1 (preceding harvest) provided there is a stand on that date sufficient that farmers in the area generally would leave it for harvest the following harvest season. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the hay crop upon baling or stacking, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of corn (as set forth below), oats or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per bushel determined by the Corporation. In order for corn to be so evaluated for poor quality it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder. In order to provide quality protection on dry edible beans, production of beans shall be determined on the basis of sound whole beans. The Corporation will value any hay it determines to be unfit for feed due to insurable causes at such price as it deems to be the market value.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production including an appraisal of corn left in the field after harvest.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for oats and wheat, pounds for beans, tons (rounded to tenths) for hay, and in bushels for corn grain or in tons (rounded to tenths) for corn silage, whichever is applicable.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

8. *Definitions.* Notwithstanding the provisions of Section 24 (d) of the policy "crop year" with respect to hay means each 12-month period beginning with the first day of the insurance period and shall be designated by reference to the calendar year in which the crop is normally harvested.

For all purposes under the contract hay for harvest within the crop year shall be considered to have been planted as of the beginning of the insurance period for that crop year.

9. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.70–3 *Montcalm County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Montcalm County, Mich., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn products for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time reasonably to expect the corn to mature as grain as determined by the Corporation.

(b) Dry edible beans (pea, medium white, red kidney, cranberry, and yellow eye).

(c) Oats planted for harvest as grain.

(d) Potatoes (excluding acreages of less than one acre on an insurance unit) commonly known as Irish Potatoes.

(e) Winter wheat planted for harvest as grain. (Insurance to attach the first crop

year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the potato crop upon digging, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of corn (as set forth below), oats, potatoes, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order for corn to be so evaluated for poor quality it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder. In order to provide quality protection on dry edible beans, production of beans shall be determined on the basis of sound whole beans.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for oats and wheat, pounds for beans and potatoes, and in bushels for corn grain or in tons (rounded to tenths) for corn silage, whichever is applicable.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Irrigated acreage.* (a) In addition to the provisions of section 4 of the policy, the following provisions shall apply. The acreage of potatoes which shall be insured on an irrigated basis in any year shall not exceed that acreage which can be irrigated adequately with the facilities available and with the supply of irrigation water which could reasonably be expected, taking into consideration the amount of water required to irrigate the acreage of all irrigated crops on the farm. Any insurable acreage of potatoes on which the irrigation requirements of this paragraph are not met will be insured on the basis of non-irrigated coverage.

(b) In addition to the causes of loss not insured against as shown in section 8 of the policy, the contract shall not cover loss caused by (1) failure properly to apply irrigation water to potatoes in accordance with good farming practices, as determined by the Corporation, and (2) shortage of irrigation water.

8. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.70–4 *Jackson County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Jackson County, Mich., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Alfalfa hay, including any mixtures containing alfalfa. (Insurance on hay to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

(b) Clover hay, including any mixtures containing clover. (Insurance on hay to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

(c) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time to reasonably expect the corn to mature as grain as determined by the Corporation.

(d) Dry edible beans (pea and medium white).

(e) Oats planted for harvest as grain.

(f) Winter wheat planted for harvest as grain. (Insurance to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop except hay in which case insurance shall attach on November 1 (preceding harvest) provided there is a stand at that time sufficient that farmers in the area generally would leave it for harvest the following harvest season. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the hay crop upon baling or stacking, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of corn (as provided below), oats, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order for corn to be so evaluated for poor quality it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder. In order to provide quality protection on dry edible beans, production of beans shall be determined on the basis of sound whole beans. The Corporation will value any hay it determines to be unfit for feed due to insurable causes at such price as it deems to be the market value.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production[1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds, or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds, or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for oats and wheat, pounds for beans, tons (rounded to tenths) for hay, and in bushels for corn grain or in tons (rounded to tenths) for corn silage, whichever is applicable.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

8. *Definitions.* Notwithstanding the provisions of Section 24 (d) of the policy "crop year" with respect to hay means each 12-month period beginning with the first day of the insurance period and shall be designated by reference to the calendar year in which the crop is normally harvested.

For all purposes under the contract hay for harvest within the crop year shall be considered to have been planted as of the beginning of the insurance period for that crop year.

9. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.70–5 *Allegan County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Allegan County, Mich., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley planted for harvest as grain.

(b) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time reasonably to expect the corn to mature as grain as determined by the Corporation.

(c) Oats planted for harvest as grain.

(d) Potatoes (excluding acreage of less than one acre on an insurance unit) commonly known as Irish Potatoes.

(e) Winter wheat planted for harvest as grain. (Insurance to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the potato crop upon digging, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the

field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance until later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of barley, corn (as set forth below), oats, potatoes, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order for corn to be so evaluated for poor quality it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classifieation	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for barley, oats and wheat, pounds for potatoes, and in bushels for corn grain or tons (rounded to tenths) for corn silage.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.70–6 *Lapeer County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Lapeer County, Mich., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley planted for harvest as grain.

(b) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time reasonably to expect the corn to mature as grain as determined by the Corporation.

(c) Dry edible beans (pea and medium white).

(d) Oats planted for harvest as grain.

(e) Potatoes (excluding acreage of less than one acre on an insurance unit) commonly known as Irish Potatoes.

(f) Winter wheat planted for harvest as grain. (Insurance to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the potato crop upon digging, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of barley, corn, (as set forth below), oats, potatoes, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order for corn to be so evaluated for poor quality it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder. In order to provide quality protection on dry edible beans, production of beans shall be determined on the basis of sound whole beans.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corpo-

ration on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. Where any small grains are seeded with an insured growing small grain on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for barley, oats, and wheat, pounds for beans and potatoes, and in bushels for corn grain or tons (rounded to tenths) for corn silage.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*
Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.71 *Minnesota.*

§ 420.71–9 *Sherburne County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Sherburne County, Minn., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Oats planted for harvest as grain.

(c) Winter rye planted for harvest as grain. (Insurance to attach on winter rye the first crop year of the contract only if the application is filed on or before September 30 preceding the calendar year in which the crop for that crop year is normally harvested).

(d) Soybeans planted for harvest as beans.

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of corn, oats, rye, or soybeans which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.

[1] Production shall be in bushels for all crops.

PRODUCTION SCHEDULE—Continued

Crop	Acreage classification	Total production [1]
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in tho field after harvest and an appraisal of corn used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) tho applicable bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for all crops.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

8. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 153 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.73 *Missouri.*

§ 420.73–2 *Knox County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Knox County, Mo., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Oats planted for harvest as grain.

(c) Soybeans planted for harvest as beans.

(d) Winter wheat planted for harvest as grain.

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of corn, oats, soybeans, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for all crops.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records

satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Coporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.73–3 *Lewis County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Lewis County, Mo., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Oats planted for harvest as grain.

(c) Soybeans planted for harvest as beans.

(d) Winter wheat planted for harvest as grain.

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of corn, oats, soybeans, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for all crops.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.75 *Nebraska.*

§ 420.75–1 *Pawnee County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Pawnee County, Nebr., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance progam the insurable crops are:

(a) Alfalfa hay and mixtures of brome and alfalfa hay. (Insurance on hay to attach the first crop year of the contract only if the application is filed on or before September 30 preceding the calendar year in which the crop for that crop year is normally harvested.)

(b) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(c) Grain sorghums planted for harvest as grain.

(d) Oats planted for harvest as grain.

(e) Winter wheat planted for harvest as grain. (Insurance on wheat to attach the first crop year of the contract only if the application is filed on or before September 30 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop except hay, in which case insurance shall attach on November 1 (preceding harvest) provided there is a stand at that time sufficient that farmers in the area generally would leave it for harvest the following harvest season. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the hay crop upon baling or stacking, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insur-

ance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of corn, grain sorghums, oats, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at the value per unit determined by the Corporation. The Corporation will value any hay it determines to be unfit for feed due to insurable causes at such price as it deems to be the market value.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn or grain sorghum may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn and grain sorghums used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for corn, oats, and wheat; pounds for grain sorghums, and tons (rounded to tenths) for hay.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: August 31.

8. *Definitions.* Notwithstanding the provisions of Section 24 (d) "crop year" with respect to alfalfa and mixtures of brome and alfalfa means each 12-month period beginning with the first day of the insurance period and shall be designated by reference to the calendar year in which the crop is normally harvested.

For all purposes under the contract alfalfa and mixtures of brome and alfalfa for harvest within the crop year shall be considered to have been planted as of the beginning of the insurance period for that crop year.

Notwithstanding the provisions of Section 13 of the policy, in any case where a share tenant rents land for a share of the crop and rents other land owned by the same person for cash, for a fixed commodity payment, or for other consideration, all such land which is planted to insurable crops shall constitute an insurance unit except in cases where a combination unit is in effect for the crop year.

9. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.75–2 *Antelope.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Antelope County, Nebr., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley planted for harvest as grain.

(b) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(c) Oats planted for harvest as grain.

(d) Rye planted for harvest as grain. (Insurance on rye to attach the first crop year of the contract only if the application is filed on or before September 30 preceding the calendar year in which the crop for that crop year is normally harvested.)

(e) Winter wheat planted for harvest as grain. (Insurance on wheat to attach the first crop year of the contract only if the application is filed on or before September 30 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (1) the end of the normal harvest period for such crop or (il) December 10, unless such time is extended in writing by the Corporation, and (b) with respect

to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the applicable cancellation date. However, any production of barley, corn, oats, rye, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for barley, corn, oats, rye, and wheat.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: August 31.

8. *Definitions.* Notwithstanding the provisions of Section 13 of the policy, in any case where a share tenant rents land for a share of the crop and rents other land owned by the same person for cash, for a fixed commodity payment, or for other consideration, all such land which is planted to insurable crops shall constitute an insurance unit except in cases where a combination unit is in effect for the crop year.

9. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.75–3 *Washington County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Washington County, Nebr., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broomcorn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Oats planted for harvest as grain.

(c) Soybeans planted for harvest as beans.

(d) Winter wheat planted for harvest as grain. (Insurance on wheat to attach the first crop year of the contract only if the application is filed on or before September 30 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the applicable cancellation date. However, any production of corn, oats, soybeans, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total

thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for corn, oats, soybeans, and wheat.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: August 31.

8. *Definitions.* Notwithstanding the provisions of Section 13 of the policy, in any case where a share tenant rents land for a share of the crop and rents other land owned by the same person for cash, for a fixed commodity payment, or for other consideration, all such land which is planted to insurable crops shall constitute an insurance unit except in cases where a combination unit is in effect for the crop year.

9. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.78 *New Jersey.*

§ 420.78–1 *Monmouth County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Monmouth County, N. J., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley planted for harvest as grain.

(b) Cabbage (excluding acreage of less than one acre on an insurance unit).

(c) Corn normally regarded as field corn. The contract will not provide insurance for corn planted thick for silage or fodder purposes, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(d) Eggplant planted for commercial purposes (excluding acreage of less than one acre on an insurance unit).

(e) Peppers planted for commercial purposes (excluding acreage of less than one acre on an insurance unit).

(f) Potatoes, commonly known as Irish potatoes (excluding acreage of less than one acre on an insurance unit).

(g) Snap beans (excluding acreage of less than one acre on an insurance unit).

(h) Soybeans planted for harvest as beans.

(i) Sweet corn (excluding acreage of less than one acre on an insurance unit).

(j) Tomatoes planted for commercial purposes (excluding acreage of less than one acre on an insurance unit).

(k) Wheat planted for harvest as grain.

2. *Coverage per acre.* (a) The coverage per acre for each insured crop, except snap beans, shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

(b) The coverage per acre for snap beans shall be reduced 60 percent for any acreage on which the insured fails to get a stand sufficient that farmers in the area generally would leave the crop for harvest, as determined by the Corporation.

3. *Insured acreage.* In addition to the provisions of Section 4 of the policy, insurance also shall not attach with respect to any acreage planted to an insured crop too early or too late to expect a normal crop to be produced as determined by the Corporation.

4. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the field corn or sweet corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the cabbage crop upon cutting, the eggplant, pepper, and tomato crops upon picking, the snap bean crop upon picking, cutting or pulling, the potato crop upon digging, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 31, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

5. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of barley, field corn, potatoes, soybeans, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

6. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any field corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

7. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage

report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop except snap beans.	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of boxes, bushels, pounds or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop except snap beans.	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Snap beans	Acreage on which a sufficient stand is not obtained that farmers in the area generally would leave the crop for harvest, as determined by the Corporation.	Zero appraisal.
4. Snap beans	Acreage on which a sufficient stand is obtained that farmers in the area generally would leave the crop for harvest, as determined by the Corporation.	The appraised production or the actual production.
5. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the box, bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
6. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of boxes, bushels, pounds or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable box, bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of boxes, bushels, pounds, or tons harvested.
7. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of boxes, bushels, pounds or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for barley, field corn, cabbage, eggplant, peppers, snap beans, soybeans, and wheat; pounds for potatoes, boxes (100 ear) for sweet corn, and tons (rounded to tenths) for tomatoes.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

8. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

9. *Definitions.* (a) Notwithstanding any other provisions of the contract, each planting or replanting of snap beans shall be considered as a separate crop for all purposes under the contract, except that all acreage of snap beans shall be considered as one crop for computing the premium.

(b) For all purposes under the contract, any crop which is transplanted shall be considered to have been planted at the time of transplanting to the field.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.80 *New York.*

§ 420.80–1 *Monroe County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Monroe County, N. Y., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley planted for harvest as grain.

(b) Cabbage (excluding acreage of less than one acre on an insurance unit).

(c) Canning peas planted for commercial processing.

(d) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time to reasonably expect the corn to mature as grain as determined by the Corporation.

(e) Dry edible beans (pea, medium white, red kidney, and white marrow).

(f) Oats planted for harvest as grain.

(g) Tomatoes planted for commercial purposes (excluding acreage of less than one acre on an insurance unit).

(h) Winter wheat planted for harvest as grain. (Insurance on wheat to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

(i) Mixtures of oats and spring barley planted for harvest as grain.

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Determining coverage(s) and premium rate(s) for mixtures.* (a) If a mixture of oats and spring barley is seeded the oats coverage shall apply.

(b) For the purpose of determining the amount of premium a mixture of oats and spring barley shall be considered as oats.

4. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the canning pea crop upon harvesting, the cabbage crop upon cutting, the tomato crop upon picking, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

5. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of barley, corn (as set forth below), oats, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order for corn to be so evaluated for poor quality it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder. In order to provide quality protection on dry edible beans, production of beans shall be determined on the basis of sound whole beans.

6. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

7. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit

shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. In determining production on acreage where a mixture of oats and spring barley is insured, all production shall be counted as oats on a weight basis. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released hy the Corporation and planted to a substitute crop.	Tbat portion of the appraised production for such acreage which is in excess of the number of bushels, pounds, or tons determined by (1) subtracting the total coverage for sucb acreage from wbat the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result tbus obtained by tbe predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for tbe crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus tbe number of bushels, pounds, or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds, or tons hy which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for barley, oats, and wheat, pounds for beans, tons (rounded to tentbs) for canning peas, cabbage, and tomatoes, and in bushels for corn grain or in tons (rounded to tenths) for corn silage.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

8. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

9. *Definitions.* For all purposes under the contract time of planting for any crop which is transplanted refers to transplanting the plants in the field.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.83 *Ohio.*

§ 420.83–1 *Ashtabula County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Ashtabula County, Ohio, Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time reasonably to expect the corn to mature as grain as determined by the Corporation.

(b) Spring oats planted for harvest as grain.

(c) Winter wheat planted for harvest as grain. Insurance to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of corn (as set forth below), oats, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per bushel determined by the Corporation. In order for corn to be so evaluated for poor quality it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released hy the Corporation and planted to a substitute crop.	Tbat portion of the appraised production for such acreage which is in excess of the number of busbels or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.

[1] Production and allowances shall be in hushels for oats and wheat and in bushels for corn grain or tons (rounded to tenths) for corn silage, whichever is applicable.

PRODUCTION SCHEDULE—Continued

Crop	Acreage classification	Total production [1]
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop minus the number of bushels or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for oats and wheat and in bushels for corn grain or tons (rounded to tenths) for corn silage, whichever is applicable.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

8. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.83–2 *Clermont County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Clermont County, Ohio, Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broomcorn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time to reasonably expect the corn to mature as grain as determined by the Corporation.

(b) Soybeans planted for harvest as beans.

(c) Tobacco—type 31.

(d) Winter wheat planted for harvest as grain. (Insurance to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to (a) any portion of the tobacco crop upon weighing-in at the tobacco warehouse, transfer of interest in the tobacco after harvest, removal of the tobacco from the insurance unit (except for curing, packing or immediate delivery to the tobacco warehouse), or weighing of the tobacco for casing, and (b) any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other crops upon threshing, or with respect to any portion of any crop (except tobacco) upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to tobacco later than February 28 following harvest, unless such time is extended in writing by the Corporation, (b) with respect to any other crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (c) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of corn (as set forth below), soybeans, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements, if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order for corn to be so evaluated for poor quality it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured's small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.

[1] Production and allowances shall be in bushels for soybeans and wheat, pounds for tobacco, and in bushels for corn grain or in tons (rounded to tenths) for corn silage, whichever is applicable.

PRODUCTION SCHEDULE—Continued

Crop	Acreage classification	Total production [1]
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for soybeans and wheat, pounds for tobacco, and in bushels for corn grain or in tons (rounded to tenths) for corn silage, whichever is applicable.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for the units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.84 *Oklahoma.*

§ 420.84–1 *Cleveland County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Cleveland County, Okla., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Cotton, restricted to American upland cotton and not including cotton planted primarily for experimental purposes.

(c) Grain sorghums planted for harvest as grain.

(d) Oats planted for harvest as grain.

(e) Winter wheat planted for harvest as grain.

2. *Coverage per acre.* (a) The coverage per acre for each insured crop, except cotton, shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

(b) The coverage per acre for cotton shall be reduced as follows: (1) 60 percent for any acreage which is released by the Corporation because of damage occurring prior to laying by the crop, and (2) 25 percent for any acreage on which the crop is laid by and not harvested.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the cotton crop upon picking, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10 unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of corn, grain sorghums, oats, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn or grain sorghums may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation or where vetch is seeded with an insured small grain crop, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop except cotton.	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels or pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop except cotton.	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn and grain sorghums used for ensilage or fodder.
3. Cotton	Acreage released by the Corporation because of damage occurring prior to laying by the crop.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
4. Cotton	Acreage on which the crop is laid by and not harvested.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
5. Cotton	Acreage harvested	Production, including an appraisal of production left in the field after harvest.
6. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel or pound equivalent of the coverage per acre on the basis of the predetermined price for the crop.
7. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel or pound equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels or pounds harvested.

[1] Production shall be in bushels for corn, oats, and wheat, and pounds for cotton and grain sorghums.

PRODUCTION SCHEDULE—Continued

Crop	Acreage classification	Total production [1]
8. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for corn, oats, and wheat, and pounds for cotton and grain sorghums.

Notwithstanding the other provisions of this paragraph (a) regarding the determination of the total production of cotton, in any case where the quality of any cotton production is reduced solely by insured causes to the extent that the value per pound, as determined by the Corporation, is less than 75 percent of the predetermined price, the number of pounds of such poor quality cotton shall be adjusted downward to the number of pounds obtained by dividing the total value of such cotton, as determined by the Corporation, by 75 percent of the predetermined price.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: August 31.

8. *Definitions.* "Harvest" with respect to any acreage of cotton means the removal (by manual or mechanical means) of an amount of cotton from the stalk which is equal in value (based on the predetermined price) to 10 percent or more of the coverage for such acreage.

9. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.85 *Oregon.*

§ 420.85–1 *Linn County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Linn County, Oreg., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Austrian winter peas planted in the fall for harvest as seed.

(b) Barley planted for harvest as grain.

(c) Mixtures of any two or more of the following crops: Oats, wheat, barley, vetch, common rye grass, and Austrian winter peas, as defined in this section.

(d) Oats planted for harvest as grain.

(e) Common rye grass planted for harvest as seed.

(f) All types of vetch planted in the fall for harvest as seed which are supported under the Commodity Credit Corporation loan program.

(g) Wheat planted for harvest as grain.

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Determining coverage(s) and premium rate(s) for mixtures.* (a) If a mixture is planted which consists of oats, wheat or barley (hereinafter called cereal grains), and vetch, common rye grass or Austrian winter peas (hereinafter called seed crops) the applicable seed crop coverage shall apply if the Corporation determines that the amount of the cereal grain in the mixture does not exceed the customary amount seeded to facilitate the production of the seed crop, but if the Corporation determines that more than the customary amount of the cereal grain is in the mixture, the coverage for the cereal grain shall apply. If a mixture of wheat or barley and oats is planted, the oats coverage shall apply. If a mixture of common rye grass and vetch, or a mixture of common rye grass, vetch and a cereal grain, is planted the common rye grass coverage shall apply.

(b) For the purpose of determining the amount of premium, (1) a mixture of any seed crop and a cereal grain shall be considered as the applicable seed crop or cereal grain as determined in (a) above for coverage purposes, (2) a mixture of wheat or barley and oats shall be considered as oats, and (3) a mixture of common rye grass and vetch or a mixture of common rye grass, vetch and a cereal grain shall be considered as common rye grass.

4. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop, except that for common rye grass initially planted in the spring, insurance shall attach on November 1 following the planting, provided there is a stand on that date sufficient that farmers in the area generally would leave it for harvest as seed the following harvest season. Insurance shall cease with respect to any portion of the insured crops upon threshing or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

5. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of Austrian winter peas, barley, oats, common rye grass, vetch or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

6. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

7. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. In determining production on acreage where a mixture of wheat or barley and oats is insured, all production shall be counted as oats on a weight basis. In determining production on acreage where any other mixture is insured, the production of each commodity shall be determined and handled separately. Where any small grain is planted with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels or pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.

[1] Production shall be in bushels for barley, oats, and wheat, and in pounds for Austrian winter peas, common rye grass, and vetch.

PRODUCTION SCHEDULE—Continued

Crop	Acreage classification	Total production [1]
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel or pound equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel or pound equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels or pounds harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for barley, oats, and wheat, and in pounds for Austrian winter peas, common rye grass, and vetch.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

8. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

9. *Definitions.* Notwithstanding the provisions of Section 24 (d) "crop year" with respect to common rye grass initially planted in the spring means the period beginning with the first day of the insurance period and ending upon harvest and shall be designated by reference to the calendar year in which the crop is normally harvested. For all purposes under the contract common rye grass for harvest within the crop year shall be considered to have been planted as of the beginning of the insurance period for that crop year.

10. *Reduction of premium based on good experience.* The insured's premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.85–2 *Malheur County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Malheur County, Oreg., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Alfalfa hay.
(b) Barley planted for harvest as grain.
(c) Dry edible beans (small reds).
(d) Oats planted for harvest as grain.
(e) Potatoes (excluding acreages of less than one acre on an insurance unit) commonly known as Irish potatoes.
(f) Red clover planted for harvest as hay or seed.
(g) Sugar beets planted for production of sugar.
(h) Wheat planted for harvest as grain.

2. *Coverage per acre.* (a) The coverage per acre for each insured crop, except sugar beets, shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

(b) The coverage per acre for sugar beets not lifted and topped shall be reduced as follows:

(i) 80 percent for any acreage released by the Corporation because of damage occurring prior to thinning.

(ii) 60 percent for any acreage which is released by the Corporation because of damage occurring after thinning and planted to a substitute crop.

(iii) 25 percent for any acreage which is released by the Corporation because of damage occurring after thinning and which is not planted to a substitute crop and not lifted and topped.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop except alfalfa and red clover in which case insurance shall attach on December 16 (preceding harvest) provided there is a stand on that date sufficient that farmers in the area generally would leave the crop for harvest the following harvest season. Insurance shall cease with respect to any portion of the alfalfa crop upon baling or stacking, the red clover crop upon baling, stacking or threshing, the potato crop upon digging, the sugar beet crop upon lifting and topping, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of barley, oats, potatoes or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order to provide quality protection on dry edible beans, production of beans shall be determined on the basis of sound whole beans.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop except sugar beets.	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production (on the basis of hay for red clover) for such acreage which is in excess of the number of bushels, pounds, or tons determined by (1) subtracting the total coverage [1] for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained, by the predetermined price for the crop.

[1] Production and allowances shall be in bushels for barley, oats and wheat, in pounds for beans, potatoes, and red clover seed, and in tons (rounded to tenths) for alfalfa, red clover hay and sugar beets.

PRODUCTION SCHEDULE—Continued

Crop	Acreage classification	Total production [1]
2. Each insured crop except red clover and sugar beets.	Acreage not planted to a substitute crop.	The appraised production or the actual production.
3. Red clover	Acreage not planted to a substitute crop.	The actual production of hay and seed for acreage harvested (except that the Corporation may count the appraised production for seed in place of the hay production for any cutting) and the appraised production (the appraisal for hay or the appraisal for seed, or both whichever the Corporation elects) for (1) acreage pastured or (2) production not harvested.
4. Sugar beets	Acreage released by the Corporation because of damage occurring prior to thinning.	The production obtained by dividing the amount of any abandonment payment paid or to be paid to the insured with respect to such acreage under any act of Congress including the Sugar Act of 1948, by the predetermined price, but not in excess of the ton-equivalent represented by the reduced coverage applicable to such acreage.
5. Sugar beets	Acreage released by the Corporation because of damage occurring after thinning and planted to a substitute crop.	That portion of the appraised production which is in excess of the number of tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if the sugar beets were lifted and topped, and (2) dividing the result thus obtained by the predetermined price, plus the production obtained by dividing the amount of any abandonment payment paid or to be paid to the insured with respect to such acreage under any act of Congress including the Sugar Act of 1948, by the predetermined price, but not in excess of the ton-equivalent represented by the reduced coverage applicable to such acreage.
6. Sugar beets	Acreage released by the Corporation because of damage occurring after thinning and which is not planted to a substitute crop and not lifted and topped.	That portion of the appraised production for such acreage which is in excess of the number of tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if the sugar beets were lifted and topped, and (2) dividing the result thus obtained by the predetermined price for the crop, plus the production obtained by dividing the amount of any abandonment payment paid or to be paid to the insured with respect to such acreage under any act of Congress including the Sugar Act of 1948, by the predetermined price, but not in excess of the ton equivalent represented by the reduced coverage applicable to such acreage.
7. Sugar beets	Acreage on which the sugar beets are lifted and topped.	Actual production.
8. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
9. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds, or tons harvested.
10. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for barley, oats and wheat, in pounds for beans, potatoes, and red clover seed, and in tons (rounded to tenths) for alfalfa, red clover hay and sugar beets.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Irrigated acreage.* (a) In addition to the provisions of section 4 of the policy the following provisions shall apply: (1) The acreage of insured crops which shall be insured in any year shall not exceed that acreage which can be irrigated adequately with the facilities available and with a supply of irrigation water which reasonably could be expected, taking into consideration the amount of water required to irrigate the acreage of all irrigated crops on the farm, (2) Insurance shall not attach with respect to acreage planted to insurable crops (i) the first year after being leveled or (ii) the first year such acreage is irrigated.

(b) In addition to the causes of loss insured against as shown on the first page of the policy, the contract shall cover loss due to failure of the water supply from natural causes that could not be foreseen and prevented by the insured.

(c) In addition to the causes of loss not insured against as shown in section 8 of the policy, the contract shall not cover loss caused by (1) failure properly to apply irrigation water to any insurable crop in accordance with good farming practices, as determined by the Corporation and (2) shortage of irrigation water on any farm where the Corporation determines that the total acreage of all irrigated crops on the farm is in excess of that which could be irrigated properly with the facilities available and with the supply of irrigation water which reasonably could be expected.

8. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

9. *Definitions.* Notwithstanding the provisions of section 24 (d) "crop year" with respect to alfalfa and red clover means each 12-month period beginning with the first day of the insurance period and shall be designated by reference to the calendar year in which the crop is normally harvested.

For all purposes under the contract alfalfa and red clover for harvest within the crop year shall be considered to have been planted as of the beginning of the insurance period for that crop year.

10. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.85–3 *Marion County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Marion County, Oreg., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Alta fescue (planted in rows only) for seed.
(b) Alfalfa hay.
(c) Barley planted for harvest as grain.
(d) Clover hay including any mixture containing a predominance of clover.
(e) Common or Willamette vetch planted in the fall for harvest as seed.
(f) Vetch hay and mixtures of oats or wheat with vetch and/or Austrian winter peas, planted for hay.
(g) Oats planted for harvest as grain.
(h) Wheat planted for harvest as grain.

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop except alta fescue, alfalfa, and clover hay in which cases insurance shall attach on November 1 (preceding harvest) provided there is a stand at that time sufficient that farmers generally in the area would leave the applicable crop for harvest the following harvest season. Insurance shall cease with respect to any portion of the hay crops upon baling or stacking, and all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and

shown on the county actuarial table. However, any production of alta fescue, barley, oats, vetch, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where vetch for seed is planted with an insured small grain crop, the production of each commodity shall be determined and counted separately. Where any small grain is planted with an insured growing sfall grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for barley, oats and wheat, in pounds for alta fescue and vetch, and tons (rounded to tenths) for hay.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

8. *Definitions.* Notwithstanding the provisions of Section 24 (d) "crop year" with respect to alta fescue, alfalfa hay and clover hay means the period beginning with the first day of the insurance period and ending upon harvest and shall be designated by reference to the calendar year in which the crop is normally harvested. For all purposes under the contract alta fescue, alfalfa hay and clover hay for harvest within the crop year shall be considered to have been planted as of the beginning of the insurance period for that crop year.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.86 *Pennsylvania.*

§ 420.86–1 *Lebanon County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Lebanon County, Pa., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley planted in the fall for harvest as grain. (Insurance on fall barley to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

(b) Corn normally regarded as field corn. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(c) Tobacco, type 41.

(d) Wheat planted for harvest as grain. (Insurance on wheat to attach the first crop year of the contract only if the application is filed on or before October 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to (a) any portion of the tobacco crop upon weighing-in at the tobacco warehouse, transfer of interest in the tobacco after harvest, removal of the tobacco from the insurance unit (except for curing, packing or immediate delivery to the tobacco warehouse), or weighing of the tobacco for casing, and (b) any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), all other insured crops upon threshing, or with respect to any portion of any crop (except tobacco) upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to tobacco later than March 31 following harvest, unless such time is extended in writing by the Corporation, (b) with respect to any other crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (c) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the applicable cancellation date. However, any production of barley, corn, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at the value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production of all insured crops. However, the amount of loss so de-

terminated shall be reduced if the premium computed for the insurance unit on the basis of the acreage specified on the acreage report is less than the premium computed for the planted acreage on the insurance unit. Such reduction shall be made on the basis of the ratio of the premium computed for the acreage specified on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of an uninsured volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, or pounds, determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel or pound equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel or pound equivalent of the coverage per acre on the basis of the predetermined price for the crop minus the number of bushels, or pounds harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for barley, corn and wheat; and in pounds for tobacco.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

8. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.90 *Tennessee.*

§ 420.90–3 *Franklin County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Franklin County, Tenn., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Alfalfa hay.

(b) Corn normally regarded as field corn, including corn with which soybeans are interplanted. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(c) Cotton, restricted to American upland cotton and not including cotton planted primarily for experimental purposes.

(d) Crimson clover planted for harvest as seed.

(e) Potatoes (excluding acreage of less than one acre on an insurance unit) commonly known as Irish potatoes.

(f) Tobacco, type 31.

(g) Wheat planted for harvest as grain.

2. *Coverage per acre.* (a) The coverage per acre for each insured crop, except cotton, shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

(b) The coverage per acre for cotton shall be reduced as follows: (1) 60 percent for any acreage which is released by the Corporation because of damage occurring prior to laying by the crop, and (2) 25 percent for any acreage on which the crop is laid by and not harvested.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop except alfalfa in which case insurance shall attach on November 1 (preceding harvest) provided there is a stand on that date sufficient that farmers in the area generally would leave the crop for harvest the following harvest season. Insurance shall cease with respect to (a) any portion of the tobacco crop upon weighing-in at the tobacco warehouse, transfer of interest in the tobacco after harvest, removal of the tobacco from the insurance unit (except for curing, packing or immediate delivery to the tobacco warehouse), or weighing of the tobacco for casing, (b) any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the cotton crop upon picking, the hay crop upon baling or stacking, the potato crop upon digging, all other crops upon threshing, or with respect to any portion of any crop (except tobacco) upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to tobacco later than February 28 following harvest unless such time is extended in writing by the Corporation, (b) with respect to any other crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (c) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of corn, potatoes or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a

volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop except cotton.	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds, or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop except cotton.	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn used for ensilage or fodder.
3. Cotton	Acreage released by the Corporation because of damage occurring prior to laying by the crop.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
4. Cotton	Acreage on which the crop is laid by and not harvested.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
5. Cotton	Acreage harvested	Production, including an appraisal of production left in the field after harvest.
6. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
7. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound, or ton equivalent of the coverage per acre, on the basis of the predetermined price for the crop, minus the number of bushels, pounds, or tons harvested.
8. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for corn and wheat, in pounds for cotton, crimson clover seed, potatoes, and tobacco and in tons (rounded to tenths) for hay.

Notwithstanding the other provisions of this paragraph (a) regarding the determination of the total production of cotton, in any case where the quality of any cotton production is reduced solely by insured causes to the extent that the value per pound, as determined by the Corporation, is less than 75 percent of the predetermined price, the number of pounds of such poor quality cotton shall be adjusted downward to the number of pounds obtained by dividing the total value of such cotton, as determined by the Corporation, by 75 percent of the determined price.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insure acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: August 31.

8. *Definitions.* (a) Notwithstanding the provisions of Section 24 (d) of the policy, "crop year" with respect to alfalfa hay means the 12-month period beginning each year with the first day of the insurance period and shall be designated by reference to the calendar year in which the crop is normally harvested.

(b) For all purposes under the contract alfalfa hay for harvest within the crop year shall be considered to have been planted as of the beginning of the insurance period for that crop year.

(c) "Harvest" with respect to any acreage of cotton means the removel (by manual or mechanical means) of an amount of cotton from the stalk which is equal in value (based on the predetermined price) to 10 percent or more of the coverage for such acreage.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.91 *Texas.*

§ 420.91–1 *Johnson County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Johnson County, Tex., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley (fall only) planted for harvest as grain. (Insurance on barley to attach the first crop year of the contract only if the application is filed on or before September 30 preceding the calendar year in which the crop for that crop year is normally harvested.)

(b) Corn normally regarded as field corn, including corn with which soybeans are interplanted. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(c) Cotton, restricted to American upland cotton and not including cotton planted primarily for experimental purposes.

(d) Grain sorghums planted for harvest as grain.

(e) Oats (fall only) planted for harvest as grain. (Insurance on oats to attach the first crop year of the contract only if the application is filed on or before September 30 preceding the calendar year in which the crop for that crop year is normally harvested.)

(f) Peanuts (Spanish) planted for harvest as nuts.

(g) Winter wheat planted for harvest as grain. (Insurance on wheat to attach the first crop year of the contract only if the application is filed on or before September 30 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* (a) The coverage per acre for each insured crop, except cotton, shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

(b) The coverage per acre for cotton shall be reduced as follows: (1) 60 percent for any acreage which is released by the Corporation because of damage occurring prior to laying by the crop, and (2) 25 percent for any acreage on which the crop is laid by and not harvested.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the cotton crop upon picking, all other insured crops upon threshing, or with respect to any portion of any insured crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of barley, corn, grain sorghums, oats, peanuts, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn or grain sorghum may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.*—(a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage

per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop. Where vetch is grown with an insured small grain crop all production of vetch shall be counted as production of such small grain on a weight basis. The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop except cotton.	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels or pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop except cotton.	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn and grain sorghums used for ensilage or fodder.
3. Cotton	Acreage released by the Corporation because of damage occurring prior to laying by the crop.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
4. Cotton	Acreage on which the crop is laid by and not harvested.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
5. Cotton	Acreage harvested	Production, including an appraisal of production left in the field after harvest.
6 Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel or pound equivalent of the coverage per acre on the basis of the predetermined price for the crop.
7. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel or pound equivalent of the coverage per acre, on the basis of the predetermined price for the crop, minus the number of bushels or pounds harvested.
8. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for barley, corn, oats, and wheat and pounds for cotton, peanuts, and grain sorghums.

Notwithstanding the other provisions of this paragraph (a) regarding the determination of the total production of cotton, in any case where the quality of any cotton production is reduced solely by insured causes to the extent that the value per pound, as determined by the Corporation, is less than 75 percent of the predetermined price, the number of pounds of such poor quality cotton shall be adjusted downward to the number of pounds obtained by dividing the total value of such cotton, as determined by the Corporation, by 75 percent of the predetermined price.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: August 31.

8. *Definitions.* "Harvest" with respect to any acreage of cotton means the removal (by manual or mechanical means) of an amount of cotton from the stalk which is equal in value (based on the predetermined price) to 10 percent or more of the coverage for such acreage.

9. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL]

FEDERAL CROP INSURANCE CORPORATION.

§ 420.91–2 *Runnels County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Runnels County, Tex., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Cotton, restricted to American upland cotton and not including cotton planted primarily for experimental purposes.

(b) Grain sorghums planted for harvest as grain.

(c) Oats (fall and winter only) planted for harvest as grain.

(d) Winter wheat planted for harvest as grain.

2. *Coverage per acre.* (a) The coverage per acre for each insured crop, except cotton, shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

(b) The coverage per acre for cotton shall be reduced as follows: (1) 60 percent for any acreage which is released by the Corporation because of damage occurring prior to laying by the crop, and (2) 25 percent for any acreage on which the crop is laid by and not harvested.

3. *Insured acreage.* In addition to the provisions of section 4 of the policy, for any crop year, insurance also shall not attach with respect to oats or wheat planted on acreage which was planted to grain or sweet sorghum (a) during the same calendar year, or (b) during the preceding calendar year in the case of winter wheat or oats planted after January 1.

4. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the cotton crop upon picking and all other insured crops upon threshing, or with respect to any portion of any insured crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10 unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

5. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of grain sorghums, oats, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

6. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any grain sorghum may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

7. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ration of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop. Where vetch is grown with an insured small grain crop all production of vetch shall be counted as production of such grain crop on a weight basis.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop except cotton.	Acreage released hy the Corporation and planted to a substititue crop.	That portion of the appraised production for such acreage which is in excess of the numher of hushels or pounds determined hy (1) suhtracting the total coverage for such acreage from what the total coverage for such acreage would he if it were not planted to a suhstitute crop, and (2) dividing the result thus obtained hy the predetermined price for the crop.
2. Each insured crop except cotton.	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of grain sorghums used for ensilage or fodder.
3. Cotton	Acreage released hy the Corporation hecause of damage occurring prior to laying hy the crop.	That portion of the appraised production which is in excess of the numher of pounds determined hy (1) suhtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained hy the predetermined price.
4. Cotton	Acreage on which the crop is laid hy and not harvested.	That portion of the appraised production which is in excess of the numher of pounds determined hy (1) suhtracting the total coverage for such acreage from what the total coverage for such acreage would he if it were harvested and (2) dividing the result thus obtained hy the predetermined price.
5. Cotton	Acreage harvested	Production, including an appraisal of production left in the field after harvest.
6. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage hut not less than the product of (1) such acreage and (2) the hushel or pound equivalent of the coverage per acre on the hasis of the predetermined price for the crop.
7. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised numher of hushels or pounds by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicahle hushel or pound equivalent of the coverage per acre, on the hasis of the predetermined price for the crop, minus the numher of hushels or pounds harvested.
8. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised numher of hushels or pounds by which production for such acreage has heen reduced hecause of cause(s) not insured against.

[1] Production shall he in hushels for oats and wheat, and pounds for cotton and grain sorghums.

Notwithstanding the other provisions of this paragraph (a) regarding the determination of the total production of cotton, in any case where the quality of any cotton production is reduced solely by insured causes to the extent that the value per pound, as determined by the Corporation, is less than 75 percent of the predetermined price, the number of pounds of such poor quality cotton shall be adjusted downward to the number of pounds obtained by dividing the total value of such cotton, as determined by the Corporation, by 75 percent of the predetermined price.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

8. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: July 31.

9. *Definitions.* "Harvest" with respect to any acreage of cotton means the removal (by manual or mechanical means) of an amount of cotton from the stalk which is equal in value (based on the predetermined price) to 10 percent or more of the coverage for such acreage.

10. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.91–3 *Tarrant County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Tarrant County, Tex., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn normally regarded as field corn, including corn with which soybeans are interplanted. The contract will not provide insurance for true type silage corn, corn planted thick for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn.

(b) Cotton, restricted to American upland cotton and not including cotton planted primarily for experimental purposes.

(c) Grain sorghums planted for harvest as grain.

(d) Oats (fall only) planted for harvest as grain.

(e) Peanuts (Spanish) planted for harvest as nuts.

(f) Winter wheat planted for harvest as grain.

2. *Coverage per acre.* (a) The coverage per acre for each insured crop, except cotton, shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

(b) The coverage per acre for cotton shall be reduced as follows: (1) 60 percent for any acreage which is released by the Corporation because of damage occurring prior to laying by the crop, and (2) 25 percent for any acreage on which the crop is laid by and not harvested.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the cotton crop upon picking, all other insured crops upon threshing, or with respect to any portion of any insured crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price establishd by the Corporation for that crop and shown on the county actuarial table. However, any production of corn, grain, sorghums, oats, peanuts, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a

value per unit determined by the Corporation.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested, except that any corn or grain sorghum may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop. Where vetch is grown with an insured small grain crop all production of vetch shall be counted as production of such small grain crop on a weight basis. The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop except cotton.	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels or pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2 Each insured crop except cotton.	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest and an appraisal of corn and grain sorghums used for ensilage or fodder.
3. Cotton	Acreage released by the Corporation because of damage occurring prior to laying by the crop.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
4. Cotton	Acreage on which the crop is laid by and not harvested.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
5. Cotton	Acreage harvested	Production, including an appraisal of production left in the field after harvest.
6. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel or pound equivalent of the coverage per acre on the basis of the predetermined price for the crop.
7. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel or pound equivalent of the coverage per acre, on the basis of the predetermined price for the crop, minus the number of bushels or pounds harvested.
8. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for corn, oats, and wheat, and pounds for cotton, peanuts, and grain sorghums.

Notwithstanding the other provisions of this paragraph (a) regarding the determination of the total production of cotton, in any case where the quality of any cotton production is reduced solely by insured causes to the extent that the value per pound, as determined by the Corporation, is less than 75 percent of the predetermined price, the number of pounds of such poor quality cotton shall be adjusted downward to the number of pounds obtained by dividing the total value of such cotton, as determined by the Corporation, by 75 percent of the predetermined price.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30
Maturity date: July 31.
Interest date: October 31.
Cancellation date: August 31.

8. *Definitions.* "Harvest" with respect to any acreage of cotton means the removal (by manual or mechanical means) of an amount of cotton from the stalk which is equal in value (based on the predetermined price) to 10 percent or more of the coverage for such acreage.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.91–4 *Taylor County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Taylor County, Tex., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Barley (fall only) planted for harvest as grain.

(b) Cotton, restricted to American upland cotton and not including cotton planted primarily for experimental purposes.

(c) Grain sorghums planted for harvest as grain.

(d) Oats (fall and winter only) planted for harvest as grain.

(e) Winter wheat planted for harvest as grain.

2. *Coverage per acre.* (a) The coverage per acre for each insured crop, except cotton, shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

(b) The coverage per acre for cotton shall be reduced as follows: (1) 60 percent for any acreage which is released by the Corporation because of damage occurring prior to laying by the crop, and (2) 25 percent for any acreage on which the crop is laid by and not harvested.

3. *Insured acreage.* In addition to the provisions of section 4 of the policy, for any crop year, insurance also shall not attach with respect to barley, oats or wheat planted on acreage which was planted to grain or sweet sorghum (a) during the same calendar year, or (b) during the preceding calendar year in the case of winter wheat or oats planted after January 1.

4. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop. Insurance shall cease with respect to any portion of the cotton crop upon picking and all other insured crops upon threshing, or with respect to any portion of any insured crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

5. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of barley, grain sorghums, oats, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

6. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be real-

ized if the crop were harvested, except that any grain sorghum may be used for ensilage or fodder without a release by the Corporation if the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for appraising the yield.

7. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop. Where vetch is grown with an insured small grain crop all production of vetch shall be counted as production of such small grain crop on a weight basis. The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop except cotton.	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels or pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a snbstitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop except cotton.	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of grain sorghums used for ensilage or fodder.
3. Cotton	Acreage released by the Corporation because of damage occurring prior to laying by the crop.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
4. Cotton	Acreage on which the crop is laid by and not harvested.	That portion of the appraised production which is in excess of the number of pounds determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were harvested and (2) dividing the result thus obtained by the predetermined price.
5. Cotton	Acreage harvested	Production, including an appraisal of production left in the field after harvest.
6. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel or pound equivalent of the coverage per acre on the basis of the predetermined price for the crop.
7. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel or pound equivalent of the coverage per acre, on the basis of the predetermined price for the crop, minus the number of bushels or pounds harvested.
8. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels or pounds by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production shall be in bushels for barley, oats, and wheat, and pounds for cotton, and grain sorghums.

Notwithstanding the other provisions of this paragraph (a) regarding the determination of the total production of cotton, in any case where the quality of any cotton production is reduced solely by insured causes to the extent that the value per pound, as determined by the Corporation, is less than 75 percent of the predetermined price, the number of pounds of such poor quality cotton shall be adjusted downward to the number of pounds obtained by dividing the total value of such cotton, as determined by the Corporation, by 75 percent of the predetermined price.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

8. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: July 31.

9. *Definitions.* "Harvest" with respect to any acreage of cotton means the removal (by manual or mechanical means) of an amount of cotton from the stalk which is equal in value (based on the predetermined price) to 10 percent or more of the coverage for such acreage.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.92 *Utah.*

§ 420.92–2 *Emery County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Emery County, Utah, Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Alfalfa for hay.
(b) Barley planted for harvest as grain.
(c) Corn planted for silage.
(d) Oats planted for harvest as grain.
(e) Wheat planted for harvest as grain.
(f) Mixtures of any two or more of the following crops: Barley, oats, and wheat, as defined in this section.

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Determining coverage(s) and premium rate(s) for mixtures.* (a) If a mixture of barley and wheat is seeded, the barley coverage shall apply. If any insurable mixture containing oats is seeded the oats coverage shall apply.

(b) For the purpose of determining the amount of premium, a mixture of barley and wheat shall be considered as barley and any insurable mixture containing oats shall be considered as oats.

4. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop except alfalfa in which case insurance shall attach on November 1 (preceding harvest) provided there is a stand on that date sufficient that farmers in the area generally would leave it for harvest the following harvest season. Insurance shall cease with respect to any portion of the hay crop upon baling or stacking, the corn crop upon harvesting (cutting the corn for silage), all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

5. *Protection against loss of quality.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. However, any production of barley, oats or wheat (excluding insurable mixtures of any of these crops) which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation.

6. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

7. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Cor-

poration on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. In determining production on acreage where a mixture of barley and wheat is insured, all the production shall be counted as barley on a weight basis, and where any insurable mixture containing oats is insured, all the production shall be counted as oats on a weight basis. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for barley, oats, and wheat, and in tons (rounded to tenths) for alfalfa and corn silage.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

8. *Irrigated acreage.* (a) In addition to the provisions of section 4 of the policy, the following provisions shall apply: (1) The acreage of insured crops in any year shall not exceed that acreage which can be irrigated adequately with the facilities available and with a supply of irrigation water which could reasonably be expected, taking into consideration the amount of water required to irrigate the acreage of all irrigated crops on the farm. (2) Insurance shall not attach with respect to (i) acreage planted to insurable crops the first year after being leveled, or (ii) acreage the first year such acreage is irrigated.

(b) In addition to the causes of loss insured against as shown on the first page of the policy, the contract shall cover loss due to failure of the water supply from natural causes that could not be foreseen and prevented by the insured.

(c) In addition to the causes of loss not insured against as shown in Section 8 of the policy, the contract shall not cover loss caused by (1) failure properly to apply irrigation water to any insurable crop in accordance with good farming practices, as determined by the Corporation, and (2) shortage of irrigation water on any farm where the Corporation determines that the total acreage of all irrigated crops on the farm is in excess of that which could be irrigated properly with the facilities available and with the supply of irrigation water which could be reasonably expected.

9. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

10. *Definitions.* Notwithstanding the provisions of Section 24 (d) of the policy "crop year" with respect to alfalfa means each 12-month period beginning with the first day of the insurance period and shall be designated by reference to the calendar year in which the crop is normally harvested. For all purposes under the contract alfalfa for harvest within the crop year shall be considered to have been planted as of the beginning of the insurance period for that crop year.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.97 *Wisconsin.*

§ 420.97–2 *Waupaca County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Waupaca County, Wis., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Alfalfa hay, including any mixtures containing alfalfa.

(b) Clover hay, including any mixtures containing clover.

(c) Barley planted for harvest as grain.

(d) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time to reasonably expect the corn to mature as grain as determined by the Corporation.

(e) Oats planted for harvest as grain.

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop except hay in which case insurance shall attach on October 1 (preceding harvest) provided there is a stand on that date sufficient that farmers in the area generally would leave it for harvest the following harvest season. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the hay crop upon baling or stacking, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of barley, corn (as set forth below), or oats which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order for corn to be eligible for a quality adjustment it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder. The Corporation will value any hay it determines to be unfit for feed due to insurable causes at such price as it deems to be the market value.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acre-

age and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop. Where oats are seeded in an insured growing hay crop on acreage not released by the Corporation, all production of oat hay shall be counted as production of the insured hay crop. Where corn for fodder is insured the grain content shall be counted as production.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for barley, corn harvested or to be harvested for grain or fodder, and oats, tons (rounded to tenths) for hay, and corn harvested for ensilage.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: September 30.

8. *Definitions.* Notwithstanding the provisions of Section 24 (d) of the policy "crop year" with respect to hay means each 12-month period beginning with the first day of the insurance period and shall be designated by reference to the calendar year in which the crop is normally harvested.

For all purposes under the contract hay for harvest within the crop year shall be considered to have been planted as of the beginning of the insurance period for that crop year.

9. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.98 *Wyoming.*

§ 420.98–1. *Platte County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Platte County, Wyo., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Alfalfa hay. (Insurance on hay to attach the first crop year of the contract only if the application is filed on or before August 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

(b) Barley (spring only) planted for harvest as grain.

(c) Corn planted for grain, silage or fodder but not including sweet corn, popcorn, broom corn, or corn planted for the development of hybrid seed corn. However, corn for fodder will not be insured unless it is planted in time reasonably to expect the corn to mature as grain as determined by the Corporation.

(d) Dry edible beans (Pinto and Great Northern).

(e) Oats (spring only) planted for harvest as grain.

(f) Wheat planted for harvest as grain. (Insurance on winter wheat to attach the first crop year of the contract only if the application is filed on or before August 31 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Existing crop insurance contract.* The acceptance by the Corporation of a multiple crop insurance application shall not cancel any existing wheat crop insurance contract between the insured and the Corporation.

3. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitute crop.

4. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop except hay on which insurance shall attach on November 1 (preceding harvest) provided there is a stand on that date sufficient that farmers in the area generally would leave it for harvest the following harvest season. Insurance shall cease with respect to any portion of the corn crop upon harvesting (picking the corn from the stalk either by hand or machine or cutting the corn for fodder or ensilage), the hay crop upon bailing or stacking, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

5. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of barley, corn (as set forth below), oats, or wheat which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order for corn to be so evaluated for poor quality it must be a variety of corn adapted to the production of corn for grain and must be harvested as grain or fodder. In order to provide quality protection on dry edible beans, production of beans shall be determined on the basis of sound whole beans.

6. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

7. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation

on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Production of corn shall be counted as grain, except that production for any corn harvested for silage and the appraised production for any true type silage corn and corn planted thick for silage but not harvested as silage shall be counted as corn silage. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds, or tons determined by (1) subtracting the total coverage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production, including an appraisal of corn left in the field after harvest.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, plus the number of bushels, pounds, or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for barley, oats and wheat, pounds for beans, tons (rounded to tenths) for alfalfa, and in bushels for corn grain or tons (rounded to tenths) for corn silage, whichever is applicable.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

8. *Irrigated acreage.* (a) In addition to the provisions of section 4 of the policy, the following provisions shall apply: (1) The acreage of insured crops in any year shall not exceed that acreage which can be irrigated adequately with the facilities available and with a supply of irrigation water which could reasonably be expected, taking into consideration the amount of water required to irrigate the acreage of all irrigated crops on the farm. (2) Insurance shall not attach with respect to acreage planted to insurable crops (i) the first year after being leveled or (ii) the first year such acreage is irrigated.

(b) In addition to the causes of loss insured against as shown on the first page of the policy, the contract shall cover loss due to failure of the water supply from natural causes that could not be foreseen and prevented by the insured.

(c) In addition to the causes of loss not insured against as shown in section 8 of the policy, the contract shall not cover loss caused by (1) failure properly to apply irrigation water to any insurable crop in accordance with good farming practices, as determined by the Corporation, and (2) shortage of irrigation water on any farm where the Corporation determines that the total acreage of all irrigated crops on the farm is in excess of that which could be irrigated properly with the facilities available and with the supply of irrigation water which could be reasonably expected.

9. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: July 31.

10. *Definitions.* Notwithstanding the provisions of section 24 (d) "crop year" with respect to alfalfa means each 12-month period beginning with the first day of the insurance period and shall be designated by reference to the calendar year in which the crop is normally harvested.

For all purposes under the contract alfalfa for harvest within the crop year shall be considered to have been planted as of the beginning of the insurance period for that crop year.

11. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

[SEAL] FEDERAL CROP INSURANCE CORPORATION.

§ 420.98 *Wyoming.*

§ 420.98–2 *Washakie County.*

RIDER NO. 1 TO THE MULTIPLE CROP INSURANCE POLICY

(Applicable in Washakie County, Wyo., Beginning With the 1953 Crop Year)

1. *Insurable crops.* For the purpose of the multiple crop insurance program the insurable crops are:

(a) Corn planted for silage.

(b) Barley (spring only) planted for harvest as grain.

(c) Dry edible beans (Pinto and Great Northern).

(d) Oats (spring only) planted for harvest as grain.

(e) Tame hay. (Insurance on hay to attach the first crop year of the contract only if the application is filed on or before September 30 preceding the calendar year in which the crop for that crop year is normally harvested.)

2. *Coverage per acre.* The coverage per acre for each insured crop shall be reduced 50 percent for any acreage released by the Corporation and planted to a substitue crop.

3. *Insurance period.* Insurance shall attach at the time of planting to any insured acreage of any insured crop except hay on which insurance shall attach on November 1 (preceding harvest) provided there is a stand on that date sufficient that farmers in the area generally would leave it for harvest the following harvest season. Insurance shall cease with respect to any portion of the corn crop upon harvesting (cutting the corn for silage), the hay crop upon baling or stacking, all other insured crops upon threshing, or with respect to any portion of any crop upon removal from the field, whichever is earlier. However, in no event shall insurance remain in effect (a) with respect to any crop later than the earlier of (i) the end of the normal harvest period for such crop or (ii) December 10, unless such time is extended in writing by the Corporation, and (b) with respect to any insurance unit later than the date of submission of a claim for indemnity.

4. *Predetermined price for valuing production.* In determining any loss under the contract, production of each insurable crop shall be evaluated at the predetermined price established by the Corporation for that crop and shown on the county actuarial table. The predetermined prices for the 1953 crop year are on file in the county office and for any subsequent crop year shall be on file in the county office at least 15 days prior to the cancellation date. However, any production of barley or oats which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes, and would not meet these requirements if properly handled, shall be evaluated at a value per unit determined by the Corporation. In order to provide quality protection on dry edible beans, production of beans shall be determined on the basis of sound whole beans.

5. *Released crop.* Notwithstanding any other provision of the policy any crop on any insured acreage may be released by the Corporation subject to an appraisal by the Corporation of the yield that would be realized if the crop were harvested.

6. *Amount of loss.* (a) The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insurable acreage (exclusive of any acreage to which insurance did not attach) planted to each insured crop by the applicable coverage per acre, and the result by the insured interest, and (2) subtracting from the total thereof the insured interest in the value (based on the predetermined price) of the total production on such acreage of all insured crops. However, the amount of loss

so determined shall be reduced if the premium computed for the insurance unit on the basis of the acreage and interest approved by the Corporation on the acreage report is less than the premium computed for the planted acreage on the insurance unit. This reduction shall be made on the basis of the ratio of the premium computed for the acreage and interest as approved by the Corporation on the acreage report to the premium computed for the planted acreage. The total production for each insured crop on the insurance unit shall include all production determined in accordance with the production schedule below. Where any small grains are seeded with an insured growing small grain crop on acreage not released by the Corporation, all production shall be counted as the insured small grain on a weight basis. In the case of a volunteer crop produced with an insured crop, the production of such volunteer crop shall be included in determining the production of the insured crop.

The Corporation reserves the right to determine the amount of production on the basis of an appraisal of any unharvested crop standing in the field.

PRODUCTION SCHEDULE

Crop	Acreage classification	Total production [1]
1. Each insured crop	Acreage released by the Corporation and planted to a substitute crop.	That portion of the appraised production for such acreage which is in excess of the number of bushels, pounds or tons determined by (1) subtracting the total coverage for such acreage from what the total coverage for such acreage would be if it were not planted to a substitute crop, and (2) dividing the result thus obtained by the predetermined price for the crop.
2. Each insured crop	Acreage not planted to a substitute crop.	The appraised production or the actual production.
3. Each insured crop	Acreage put to another use without the consent of the Corporation.	Appraised production for such acreage but not less than the product of (1) such acreage and (2) the bushel, pound or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop.
4. Each insured crop	Acreage with reduced yield due solely to cause(s) not insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced but not less than the product of (1) such acreage and (2) the applicable bushel, pound, or ton equivalent of the coverage per acre on the basis of the predetermined price for the crop, minus the number of bushels, pounds, or tons harvested.
5. Each insured crop	Acreage with reduced yield due partially to cause(s) not insured against and partially to cause(s) insured against.	Appraised number of bushels, pounds, or tons by which production for such acreage has been reduced because of cause(s) not insured against.

[1] Production and allowances shall be in bushels for barley and oats, pounds for beans, tons (rounded to tenths) for hay and corn silage.

(b) If production from two or more insurance units is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, the Corporation may allocate the commingled production between the units involved in any manner it deems appropriate or void the insurance on the insurance units involved and declare the premium(s) for such units forfeited by the insured. If production from uninsured acreage and insured acreage is commingled and the insured fails to establish and maintain separate acreage and production records satisfactory to the Corporation, all such production which is commingled shall be considered to have been produced on the insured acreage or the Corporation may void the insurance on the insurance unit(s) involved and declare the premium(s) for such unit(s) forfeited by the insured.

7. *Irrigated acreage.* (a) In addition to the provisions of section 4 of the policy, the following provisions shall apply: (1) the acreage of insured crops in any year shall not exceed that acreage which can be irrigated adequately with the facilities available and with a supply of irrigation water which reasonably could be expected, taking into consideration the amount of water required to irrigate the acreage of all irrigated crops on the farm. (2) Insurance shall not attach with respect to acreage planted to insurable crops (i) the first year after being leveled or (ii) the first year such acreage is irrigated.

(b) In addition to the causes of loss insured against as shown on the first page of the policy, the contract shall cover loss due to failure of the water supply from natural causes that could not be foreseen and prevented by the insured.

(c) In addition to the causes of loss not insured against as shown in section 8 of the policy, the contract shall not cover loss caused by (1) failure properly to apply irrigation water to any insurable crop in accordance with good farming practices, as determined by the Corporation, and (2) shortage of irrigation water on any farm where the Corporation determines that the total acreage of all irrigated crops on the farm is in excess of that which could be irrigated properly with the facilities available and with the supply of irrigation water which reasonably could be expected.

8. *Date table.*

Discount date: June 30.
Maturity date: July 31.
Interest date: October 31.
Cancellation date: August 31.

9. *Definitions.* For all purposes under the contract hay for harvest within the crop year shall be considered to have been planted as of the beginning of the insurance period for that crop year.

Notwithstanding the provisions of section 24 (d) of the policy "crop year" with respect to hay means each 12-month period beginning with the first day of the insurance period and shall be designated by reference to the calendar year in which the crop is normally harvested.

10. *Reduction of premium based on good experience.* The insured's annual premium for any year may be reduced 25 percent if he has had seven consecutive years of insured crop(s) under a Federal Crop Insurance contract without a loss for which an indemnity was paid. Credit for consecutive years of good experience under any other existing Federal Crop Insurance contract will not be transferred to the multiple crop contract if the insured is eligible to receive a premium discount based on consecutive years of good experience or based on an accumulated balance of premiums over indemnities under such existing contract. Nothing in this paragraph shall create in the insured any right to a reduced premium.

Approved: Beginning with the 1953 crop year.

FEDERAL CROP INSURANCE CORPORATION.

[F. R. Doc. 52-13060; Filed, Dec. 12, 1952; 8:50 a. m.]

Chapter VII—Production and Marketing Administration (Agricultural Adjustment), Department of Agriculture

PART 729—PEANUTS

COUNTY ACREAGE ALLOTMENTS FOR THE 1953 CROP; GEORGIA

Basis and purpose. Section 358 (e) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1358 (e)), provides that the Secretary of Agriculture may, if the State Production and Marketing Administration Committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the provisions of the act, provide for the apportionment of the State acreage allotment among the counties in the State on the basis of the past acreage of peanuts harvested for nuts (excluding acreage in excess of farm allotments) in the county during the five years immediately preceding the year in which such apportionment is made, with such adjustments as are deemed necessary for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of section 358 (c) of the act. The State Production and Marketing Administration Committee for the State of Georgia has recommended that the 1953 State peanut acreage allotment heretofore established (17 F. R. 10537) be apportioned among the peanut-producing counties in the State pursuant to the provisions of section 358 (e) of the act. It is hereby determined that apportionment of the 1953 Georgia peanut acreage allotment among the counties in the State will facilitate the effective administration of the provisions of the act, and the purpose of this document is to announce such apportionment.

The recommendation of the Georgia State Production and Marketing Administration Committee to apportion the 1953 State peanut acreage allotment among the counties was made after due consideration of such data, views, and recommendations as were received pursuant to public notice (17 F. R. 9563) given in accordance with the Administrative Procedure Act (5 U. S. C. 1003), and the determinations made in § 729.404 were made on the basis of the latest available statistics of the Federal Government. Peanut farmers in Georgia are now making plans for the production of peanuts in 1953. In order that the State and county Production and Marketing Administration committees may establish farm acreage allotments and issue notices thereof to farm operators at the earliest possible date, it is essential that the county acreage allotments contained in § 729.404 be made effective

as soon as possible. Accordingly, it is hereby determined and found that compliance with the 30-day effective date provision of the Administrative Procedure Act is impracticable and contrary to the public interest, and the county acreage allotments contained in § 729.404 shall be effective upon filing of the document with the Director, Division of the Federal Register.

§ 729.404 *1953 county peanut acreage allotments.*

GEORGIA

County:	1953 county acreage allotment
Appling	636
Atkinson	197
Bacon	29
Baker	14,811
Baldwin	86
Bartow	36
Ben Hill	6,814
Berrien	1,978
Bibb	54
Bleckley	2,891
Brooks	5,192
Bryan	324
Bulloch	13,066
Burke	9,925
Colhoun	16,893
Candler	1,586
Chatham	2.5
Chattachoochee	390
Clay	12,156
Coffee	3,348
Colquitt	9,407
Columbia	16
Cook	1,485
Coweta	4
Crawford	365
Crisp	14,021
Dade	2.6
Decatur	16,459
Dodge	8,059
Dooly	18,857
Dougherty	6,834
Early	33,156
Echols	1.9
Effingham	598
Emanuel	3,800
Evans	714
Fayette	4.6
Fulton	8.3
Glascock	923
Grady	8,620
Gwinnett	1.9
Hancock	69
Harris	70
Henry	1.5
Houston	7,529
Irwin	15,081
Jeff Davis	172
Jefferson	5,269
Jenkins	3,599
Johnson	1,499
Jones	6.4
Lamar	5.1
Lanier	7.2
Laurens	10,078
Lee	15,982
Lowndes	947
McDuffie	26
Macon	6,752
Marion	4,195
Miller	19,719
Mitchell	20,981
Monroe	2.3
Montgomery	1,542
Muscogee	57
Newton	30
Peach	1,282
Pierce	8.9
Pulaski	10,100
Quitman	4,541
Randolph	22,434
Richmond	1,025
Schley	3,416
Screven	5,765
Seminole	12,815
Stewart	9,167
Sumter	16,905
Talbot	393
Tattnall	1,264
Taylor	2,835
Telfair	4,167
Terrell	23,025
Thomas	5,561
Tift	12,420
Toombs	2,306
Treutlen	219
Turner	19,570
Twiggs	2,197
Upson	19
Ware	1.8
Warren	113
Washington	3,454
Wayne	47
Webster	9,687
Wheeler	1,225
Wilcox	13,013
Wilkinson	1,222
Worth	29,306
Total, Georgia	546,925

(Sec. 375, 52 Stat. 66, as amended; 7 U. S. C. 1375. Interprets or applies sec. 358, 65 Stat. 29; 7 U. S. C. 1358)

Issued at Washington, D. C., this 10th day of December 1952. Witness my hand and the seal of the Department of Agriculture.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 52-13168; Filed, Dec. 12, 1952; 8:58 a. m.]

PART 730—RICE

NATIONAL MARKETING QUOTAS AND ACREAGE ALLOTMENTS ON 1953 CROP

Sec.
730.401 Basis and purpose.
730.402 Marketing quotas on 1953 crop of rice.
730.403 1953 acreage allotments for rice.

AUTHORITY: §§ 730.401 to 730.403 issued under sec. 375, 52 Stat. 66; 7 U. S. C. 1375. Interpret or apply secs. 301, 352, 354, 52 Stat. 38, as amended; 7 U. S. C. 1301, 1352, 1354.

§ 730.401 *Basis and purpose.* (a) Section 730.402 is issued under sections 301 and 354 of the Agricultural Adjustment Act of 1938, as amended, to proclaim the total supply and normal supply of rice for the marketing year beginning August 1, 1952, and to proclaim that marketing quotas will not be applicable to the 1953 crop of rice. Section 730.403 is issued under sections 304 and 371 (b) of the Agricultural Adjustment Act of 1938, as amended, to announce that no national, State, county, or farm acreage allotments will be determined for 1953. Section 352 of the act requires the Secretary of Agriculture each year to ascertain and proclaim the national acreage allotment of rice.

(b) Section 371 (b) of the act authorizes the Secretary to dispense with the national marketing quota or national acreage allotment for any basic agricultural commodity if he finds, after appropriate investigation, that such action is necessary to effectuate the declared policy of the act, or to meet a national emergency or increase in export demand for the commodity. Section 304 of the act provides that in carrying out the purposes of the act it shall be the duty of the Secretary to give due regard to the maintenance of a continuous and stable supply of agricultural commodities from domestic production adequate to meet consumer demand at prices fair to both producers and consumers.

(c) The findings and determinations made in § 730.402, which are based on the latest available statistics of the Federal Government, show that marketing quotas for the 1953 crop of rice are not required. Accordingly, § 730.402 states that marketing quotas will not be in effect for that crop.

(d) Pursuant to section 371 (b) of the act, an investigation has been made to determine whether acreage allotments should be in effect for the 1953 crop of rice. On the basis of that investigation, it is hereby found and determined that it is necessary, in order to effectuate the declared policy of the act and to meet the present national emergency in food production, to dispense with national, State, county, and farm acreage allotments for the 1953 crop of rice. That action is made effective by the issuance of § 730.403.

(e) Prior to taking the action herein, public notice was given (17 F. R. 9670), in accordance with the Administrative Procedure Act (5 U. S. C. 1003), that the Secretary was preparing to determine whether marketing quotas and acreage allotments are required for the 1953 crop of rice. The notice also stated that the Secretary had under consideration the matter of dispensing with marketing quotas and acreage allotments under the applicable provisions of the act, including sections 304 and 371 (b). All written submissions which were received within the period stated in the notice have been considered within the limits permitted by the Agricultural Adjustment Act of 1938, as amended.

§ 730.402 *Marketing quotas on 1953 crop of rice.* The total supply of rice for the marketing year beginning August 1, 1952, is determined to be 51,165 thousand 100-lb. bags. The normal supply of rice for such marketing year is determined to be 53,381 thousand 100-lb. bags. Since the total supply of rice for the 1952–53 marketing year is smaller than the normal supply therefor, marketing quotas shall not be in effect on the 1953 crop of rice.

§ 730.403 *1953 acreage allotments for rice.* No national, State, county, or farm acreage allotments of rice will be determined for 1953.

Issued at Washington, D. C., this 10th day of December 1952.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 52-13169; Filed, Dec. 12, 1952; 8:59 a. m.]

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders), Department of Agriculture

[Lemon Reg. 465]

Part 953—Lemons Grown in California and Arizona

Limitation of Shipments

§ 953.572 *Lemon Regulation 465*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953; 14 F. R. 3612), regulating the handling of lemons grown in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of the quantity of such lemons which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the Federal Register (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions of this section effective as hereinafter set forth. Shipments of lemons, grown in the State of California or in the State of Arizona, are currently subject to regulation pursuant to said amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein was promptly submitted to the Department after an open meeting of the Lemon Administrative Committee on December 10, 1952; such meeting was held, after giving due notice thereof to consider recommendations for regulation, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter specified; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time of this section.

(b) *Order.* (1) The quantity of lemons grown in the State of California or in the State of Arizona which may be handled during the period beginning at 12:01 a. m., P. s. t., December 14, 1952, and ending at 12:01 a. m., P. s. t., December 21, 1952, is hereby fixed as follows:

(i) District 1: 30 carloads;

(ii) District 2: 185 carloads;

(iii) District 3: 10 carloads.

(2) The prorate base of each handler who has made application therefor, as provided in the said amended marketing agreement and order, is hereby fixed in accordance with the prorate base schedule which is attached hereto and made a part hereof by this reference.

(3) As used in this section, "handled," "handler," "carloads," "prorate base," "District 1," "District 2" and "District 3," shall have the same meaning as when used in the said amended marketing agreement and order.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup., 608c)

Done at Washington, D. C., this 11th day of December 1952.

[SEAL] M. W. Baker,
Acting Director, Fruit and Vegetable Branch, Production and Marketing Administration.

Prorate Base Schedule

[Storage date: Dec. 7, 1952]

District No. 1

[12:01 a. m. Dec. 14, 1952, to 12:01 a. m. Dec. 28, 1952]

Handler	Prorate base (Percent)
Total	100.000
Klink Citrus Association	34.153
Lemon Cove Association	30.956
Tulare County Lemon & Grapefruit Association	30.660
California Citrus Groves, Inc., Ltd.	.000
Harding & Leggett	1.952
Zaninovich Bros., Inc.	2.279

District No. 2

Handler	Prorate base (Percent)
Total	100.000
American Fruit Growers, Inc., Corona	.093
American Fruit Growers, Inc., Fullerton	.368
American Fruit Growers, Inc., Upland	.083
Eadington Fruit Co.	.590
Hazeltine Packing Co.	.474
Ventura Coastal Lemon Co.	5.491
Ventura Pacific Co.	3.651
Glendora Lemon Growers Association	1.767
La Verne Lemon Association	.461
La Habra Citrus Association	.698
Yorba Linda Citrus Association	.430
Escondido Lemon Association	1.236
Cucamonga Mesa Growers	.585
Etiwanda Citrus Fruit Association	.170
San Dimas Lemon Association	.772
Upland Lemon Growers Association	3.273
Central Lemon Association	.194
Irvine Citrus Association	.348
Placentia Mutual Orange Association	.540
Corona Citrus Association	.120
Corona Foothill Lemon Co.	.894
Jameson Co.	.641
Arlington Heights Citrus Co.	.275
College Heights Orange & Lemon Association	2.534
Chula Vista Citrus Association, The	.506

Prorate Base Schedule—Continued

District No. 1—continued

Handler	Prorate base (percent)
Escondido Cooperative Citrus Association	0.124
Fallbrook Citrus Association	1.240
Lemon Grove Citrus Association	.287
Carpinteria Lemon Association	4.149
Carpinteria Mutual Citrus Association	4.534
Goleta Lemon Association	5.665
Johnston Fruit Co.	7.467
North Whittier Heights Citrus Association	.200
San Fernando Heights Lemon Association	1.137
Sierra Madre-Lamanda Citrus Association	.503
Briggs Lemon Association	1.969
Culbertson Lemon Association	1.495
Fillmore Lemon Association	.517
Oxnard Citrus Association	5.509
Rancho Sespe	.517
Santa Clara Lemon Association	5.822
Santa Paula Citrus Fruit Association	2.343
Saticoy Lemon Association	5.690
Seaboard Lemon Association	7.237
Somis Lemon Association	4.887
Ventura Citrus Association	1.212
Ventura County Citrus Association	1.026
Limoneira Co.	2.201
Teague-McKevett Association	.488
East Whittier Citrus Association	.279
Leffingwell Rancho Lemon Association	.318
Murphy Ranch Co.	.658
Chula Vista Mutual Lemon Association	.569
Index Mutual Association	.274
La Verne Cooperative Citrus Association	1.277
Ventura County Orange & Lemon Association	3.581
Dunning Ranch	.073
Huarte, Joseph D.	.000
Latimer, Harold	.072
Orange Belt Fruit Distributors	.403
Paramount Citrus Association, Inc.	.083
Santa Rosa Lemon Co.	.000

District No. 3

Handler	Prorate base (percent)
Total	100.000
Consolidated Citrus Growers	8.749
Phoenix Citrus Packing Co.	1.007
Arizona Citrus Growers	46.452
Desert Citrus Growers Co.	11.345
Tempeco Groves	8.716
Arlington Heights Citrus Co.	4.240
Pioneer Fruit Co.	3.795
Allen & Allen Citrus Packing Co.	.869
Maricopa Citrus Co.	1.062
Mesa Harvest Produce Co.	2.697
Mutual Citrus Products Co., Inc.	.000
Sunny Valley Citrus Packing Co.	1.870
Valley Citrus Packing Co.	.967
Morris Bros. Fruit Co.	8.231

[F. R. Doc. 52-13216; Filed, Dec. 12, 1952; 8:54 a. m.]

TITLE 15—COMMERCE AND FOREIGN TRADE

Chapter III—Bureau of Foreign and Domestic Commerce, Department of Commerce

Subchapter C—Office of International Trade

[6th Gen. Rev. of Export Regs., Amdt. 23]

Part 373—Licensing Policies and Related Special Provisions

Section 373.41 *Special provisions for rice* is amended in the following particulars:

1. Subdivision (iii) of paragraph (a) *Licensing of exports to Cuba,* subparagraph (1) *Initial licenses,* is hereby deleted.

2. Paragraph (b) *Licensing of exports to Japan, Indonesia, and Ceylon—allocation period August 1, 1952, to December 31, 1952* is amended to read as follows:

(b) *Licensing of exports to Far Eastern countries—(1) Supporting information.* Each application must be supported by: (i) A true copy of the sales contract with the foreign purchaser; (ii) a true copy of the letter of credit; (iii) evidence that the applicant has rice available to cover the sales contract; and (iv) the import license number, where an import license is required by the importing country.

(2) *Sales prior to September 10, 1952.* Applications to be considered under the provisions of this paragraph must be received fully documented in OIT not later than December 22, 1952. Applications in this category received subsequent to December 22, 1952 will be considered in accordance with the provisions of subparagraph (3) of this paragraph. Preference in licensing action will be given to license applications based on sales contracts entered into prior to September 10, 1952 and which meet the provisions of subparagraph (1) of this paragraph. Licenses will be granted in the full amount of application if the total of all such applications for a specific country does not exceed the allocation to that country. If the total of all such applications for a country exceeds the allocation, licenses will be prorated and certain quantity adjustments may be made to facilitate shipments in cargo or half-cargo lots.

(3) *Sales on and subsequent to September 10, 1952.* Applications based on sales entered into on and subsequent to September 10, 1952 and applications under the provisions of subparagraph (2) of this paragraph, received subsequent to December 22, 1952 which meet the conditions of subparagraph (1) of this paragraph, will be considered for licensing if the total of those licenses issued in accordance with subparagraph (2) of this paragraph, does not exhaust the country allocation. These applications, if fully supported as specified in subparagraph (1) of this paragraph, will be considered in the order of receipt in the OIT.

3. The title of paragraph (c) *To defense and occupied areas* is amended to read as follows:

(c) *Defense and occupied areas.*

4. Paragraph (d) *Licensing of exports to other countries and areas—allocation period August 1, 1952, to December 31, 1952* is amended to read as follows:

(d) *Licensing of exports to other countries and areas.* Each application must be supported by: (1) A true copy of the sales contract with the foreign purchaser; (2) a true copy of the letter of credit, or evidence of any other means of financing to be used; and (3) the import license number where an import license is required by the importing country.

5. The first unnumbered paragraph of the Note following paragraph (d) remains unchanged.

6. The second unnumbered paragraph of the Note following paragraph (d) is amended to read as follows:

All licenses issued against the January-March 1953 allocation will expire April 30, 1953, except for applications receiving special handling which will be valid for only 30 days from date of issuance.

(Sec. 3, 63 Stat. 7; 65 Stat. 43; 50 U. S. C. App. Sup. 2023. E. O. 9630, Sept. 27, 1945, 10 F R. 12245, 3 CFR, 1945 Supp.; E. O. 9919, Jan. 3, 1948, 13 F. R. 59, 3 CFR, 1948 Supp.)

This amendment shall become effective as of December 12, 1952.

LORING K. MACY,
Director,
Office of International Trade.

[F. R. Doc. 52-13174; Filed, Dec. 12, 1952; 8:59 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 5691]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

RHODES PHARMACAL CO., INC., ET AL.

Subpart—*Advertising falsely or misleadingly:* § 3.90 *History of product or offering;* § 3.135 *Nature—Product or service;* § 3.170 *Qualities or properties of product or service.* In connection with the offering for sale, sale and distribution of the drug product "Imdrin", or any product of substantially similar composition or possessing substantially similar properties, whether sold under the same name or under any other name, disseminating, etc., by means of the United States Mails, or in commerce, or by any means, to induce, etc., directly or indirectly, the purchase in commerce, etc., of said drug preparation "Imdrin", which advertisements represent, directly or by implication, (a) that the taking of said preparation will constitute an adequate, effective or reliable treatment for neuritis, sciatica, gout, neuralgia, fibrositis, bursitis, or any other kind of arthritic or rheumatic condition; (b) that said preparation will arrest the progress or correct the underlying causes of, or will cure, neuritis, sciatica, gout, neuralgia, fibrositis, or bursitis, or any other kind of arthritic or rheumatic condition; (c) that said preparation will afford any relief of severe aches, pains, and discomforts of neuritis, sciatica, gout, neuralgia, fibrositis, bursitis, or any other arthritic or rheumatic condition, or have any therapeutic effect upon any of the symptoms or manifestations of any such condition in excess of affording temporary and partial relief of minor aches, pains, or fever; (d) that said preparation is remarkable, amazing, or sensational, or that it is a sensational new discovery or scientific research, or a new discovery; (e) that persons afflicted with neuritis, sciatica, gout, neuralgia, fibrositis, bursitis, or any other kind of arthritic or rheumatic condition, so severely that such afflictions interfere with their normal habits of life or their ability to carry on their regular occupations will be enabled, by taking the drug preparation "Imdrin," to resume such normal habits or regular occupations; or, (f) that the taking of said preparation will have any therapeutic effect upon the functioning of the enzyme systems of the blood or bones; prohibited.

(Sec. 6, 38 Stat. 722; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and desist order, Rhodes Pharmacal Company, Inc., et al., Cleveland, Ohio, Docket 5691, October 3, 1952]

In the Matter of Rhodes Pharmacal Company, Inc., and J. Sanford Rose and Jerome H. Rose, Individually and as Officers of Rhodes Pharmacal Company, Inc.

This proceeding was heard by Abner E. Lipscomb, hearing examiner, upon the complaint of the Commission, respondents' answer, and hearings at which testimony and other evidence, duly recorded and filed in the office of the Commission in support and in opposition to the allegations of said complaint, were introduced before said examiner theretofore duly designated by the Commission.

Thereafter the proceeding regularly came on for final consideration by said examiner, upon the complaint, answer thereto, testimony and other evidence, proposed findings as to the facts and conclusions presented by counsel, oral argument not having been requested; and said examiner, having duly considered the record in the matter and having found that the proceeding was in the interest of the public, made his initial decision comprising certain findings as to the facts,[1] conclusion drawn therefrom,[1] and order to cease and desist.

Thereafter, following respondents' appeal from said initial decision, the matter was disposed of by the Commission's "Order Denying Appeal from Initial Decision of the Hearing Examiner, Decision of the Commission and Order to File Report of Compliance," dated October 3, 1952, as follows:

This matter having come on to be heard by the Commission upon respondents' appeal from the initial decision of the hearing examiner, briefs in support of and in opposition to said appeal and oral argument of counsel; and

The Commission, upon consideration of the entire record herein, having decided, for the reasons stated in the written opinion of the Commission which is being issued simultaneously herewith, that all of the findings as to the facts contained in the initial decision are supported by reliable, substantial, and probative evidence of record; that the conclusion contained therein is correct; and that the order to cease and desist therein is proper upon this record and is required to provide proper relief from respondents' illegal practices; and

The Commission, therefore, being of the opinion that respondents' appeal

[1] Filed as part of the original document.

from and exceptions to the hearing examiner's initial decision are of no merit and that said initial decision is appropriate in all respects to dispose of this proceeding:

It it ordered, That the appeal of respondents from the initial decision of the hearing examiner be, and it hereby is, denied.

It is further ordered, That the initial decision of the hearing examiner shall on the 3d day of October 1952, become the decision of the Commission.

It is further ordered, That respondents, Rhodes Pharmacal Company, Inc., J. Sanford Rose and Jerome H. Rose, shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist contained in said initial decision, a copy of which is attached hereto.

The order to cease and desist in said initial decision, thus made the decision of the Commission, is as follows:

It is ordered, That the respondents Rhodes Pharmacal Company, Inc., a corporation, and J. Sanford Rose and Jerome H. Rose, individually and as officers of said corporation, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of the drug preparation "Imdrin", or any product of substantially similar composition or possessing substantially similar properties, whether sold under the same name or under any other name, do forthwith cease and desist from directly or indirectly:

1. Disseminating or causing to be disseminated, by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which represents, directly or by implication:

(a) That the taking of said preparation will constitute an adequate, effective or reliable treatment for neuritis, sciatica, gout, neuralgia, fibrositis, bursitis, or any other kind of arthritic or rheumatic condition;

(b) That said preparation will arrest the progress or correct the underlying causes of, or will cure, neuritis, sciatica, gout, neuralgia, fibrositis, or bursitis, or any other kind of arthritic or rheumatic condition;

(c) That said preparation will afford any relief of severe aches, pains, and discomforts of neuritis, sciatica, gout, neuralgia, fibrositis, bursitis, or any other arthritic or rheumatic condition, or have any therapeutic effect upon any of the symptoms or manifestations of any such condition in excess of affording temporary and partial relief of minor aches, pains, or fever;

(d) That said preparation is remarkable, amazing, or sensational, or that it is a sensational new discovery of scientific research, or a new discovery;

(e) That persons afflicted with neuritis, sciatica, gout, neuralgia, fibrositis, bursitis, or any other kind of arthritic or rheumatic condition, so severely that such afflictions interfere with their normal habits of life or their ability to carry on their regular occupations will be enabled, by taking the drug preparation, "Imdrin" to resume such normal habits or regular occupations;

(f) That the taking of said preparation will have any therapeutic effect upon the functioning of the enzyme systems of the blood or bones.

2. Disseminating or causing to be disseminated any advertisement by any means for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase in commerce, as "commerce" is defined in the Federal Trade Commission Act, of the drug preparation "Imdrin", which advertisement contains any of the representations prohibited in Paragraph 1 hereof.

By the Commission.[1]

Issued: October 3, 1952.

[SEAL] D. C. DANIEL, *Secretary.*

[F. R. Doc. 52–13167; Filed, Dec. 12, 1952; 8:58 a. m.]

TITLE 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Federal Security Agency

PART 146—CERTIFICATION OF BATCHES OF ANTIBIOTIC AND ANTIBIOTIC-CONTAINING DRUGS

MISCELLANEOUS AMENDMENTS

By virtue of the authority vested in the Federal Security Administrator by the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 507, 52 Stat. 1040, 1055, as amended by 59 Stat. 463, 61 Stat. 11, 63 Stat. 409; 21 U. S. C. 357), the regulations for certification of antibiotic and antibiotic-containing drugs (21 CFR 1951 Supp., Part 146; 17 F. R. 8533) are amended as indicated below:

1. Section 146.62 (b) is amended to read:

§ 146.62 *Animal feed containing penicillin.* * * *

(b) If it is intended for veterinary use in the cure, mitigation, treatment, or prevention of disease, and—

(1) It contains a drug certified under section 507 of the act for use in mixing such feed, with or without para-aminobenzoic acid (containing not less than 98.0 percent para-aminobenzoic acid);

(2) It has been mixed in accordance with the directions in the labeling of such certified drug; and

(3) The labeling of the feed bears only the indications and directions for use that were approved when the drug was certified; provided that this exemption shall apply also to feeds in which the feed manufacturer has mixed para-aminobenzoic acid (containing not less than 98.0 percent para-aminobenzoic acid) and a drug certified for use without it, if the feed contains 0.1 percent para-aminobenzoic acid and the feed manufacturer has submitted to the Commissioner copies of the feed labeling and has obtained approval of it.

2. a. Section 146.216 is amended by changing the headnote and paragraph (a) to read:

§ 146.216 *Aureomycin therapeutic formula for animal feed; aureomycin-vitamin B_{12} therapeutic formula for animal feed (if it is represented as containing the vitamin B_{12}); aureomycin-para-aminobenzoic acid therapeutic formula for animal feed (if it is represented as containing para-aminobenzoic acid); aureomycin-vitamin B_{12}-para-aminobenzoic acid therapeutic formula for animal feed (if it is represented as containing vitamin B_{12} and para-aminobenzoic acid)*—(a) *Standards of identity, strength, quality and purity.* Aureomycin therapeutic formula for animal feed is aureomycin with or without vitamin B_{12} and/or para-aminobenzoic acid (containing not less than 98.0 percent para-aminobenzoic acid) in a suitable and harmless diluent. It contains not less than 5.0 grams of aureomycin per pound. Its moisture content is not more than 6 percent.

b. Section 146.216 (c) (1) (ii) is amended to read:

(c) *Labeling.* * * *

(1) * * *

(ii) The number of grams of aureomycin in each pound of the batch, and if it contains vitamin B_{12} and/or para-aminobenzoic acid, the quanity of each such ingredient in each pound of the batch.

c. In § 146.216, subparagraph (2) of paragraph (d) *Request for certification; samples* is amended by changing the words "immediate containers" to read "pounds", and the figures "20" and "100" to read "5" and "12", respectively.

d. In § 146.216, subparagraph (1) of paragraph (e) *Fees* is amended by changing the figure "$1.00" to read "$4.00".

This order, which provides for the addition of para-aminobenzoic acid to aureomycin therapeutic formula for animal feed, and for the conditional exemption from certification of animal feed containing certified drugs with or without para-aminobenzoic acid, shall become effective upon publication in the FEDERAL REGISTER, since both the public and the affected industry will benefit by the earliest effective date, and I so find.

Notice and public procedure are not necessary prerequisites to the promulgation of this order, and I so find, since it conditionally relaxes existing requirements for certification of batches of animal feeds, it has been drawn in collaboration with interested members of the affected industry, and since it would be against public interest to delay providing for the use of para-aminobenzoic acid in animal feeds and to delay relaxing the requirement that feeds containing para-aminobenzoic acid be certified.

(Sec. 701, 52 Stat. 1055; 21 U. S. C. 371. Interpret or apply sec. 507, 59 Stat. 463, as amended; 21 U. S. C. and Sup. 357)

Dated: December 9, 1952.

[SEAL] JOHN L. THURSTON, *Acting Administrator.*

[F. D. Doc. 52–13149; Filed, Dec. 12, 1952; 8:52 a. m.]

[1] Commissioner Caretta not participating for the reason that oral argument on the merits was heard prior to his appointment to the Commission.

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue, Department of the Treasury

Subchapter A—Income and Excess-Profits Taxes

[T. D. 5956]

PART 7—TAXATION PURSUANT TO TREATIES

SUBPART—NORWAY

Sec.
7.100 Introductory.
7.101 Interest.
7.102 Dividends.
7.103 Patent and copyright royalties and film rentals.
7.104 Natural resource royalties and real property rentals.
7.105 Pensions and life annuities.
7.106 Release of excess tax withheld at source.
7.107 Information to be furnished in ordinary course.
7.108 Beneficiaries of a domestic estate or trust.
7.109 Refund of excess tax withheld during 1951.

AUTHORITY: §§ 7.100 to 7.109 issued under 53 Stat. 32, 467; 26 U. S. C. 62, 3791.

§ 7.100 *Introductory.* (a) The income tax convention between the United States and the Kingdom of Norway, signed June 13, 1949, proclaimed by the President of the United States on December 13, 1951, and effective for taxable years beginning on or after January 1, 1951, hereinafter referred to as the convention, provides in part as follows:

ARTICLE I

(1) The taxes referred to in this Convention are:

(a) In the case of the United States of America: The Federal income tax, including surtaxes.

(b) In the case of Norway: The national and the communal income taxes, including the old age pension tax, the war pension tax, the tax on bank deposits and the seamen's tax.

(2) The present Convention shall also apply to any other income taxes of a substantially similar character imposed by either contracting State subsequently to the date of signature of the present Convention.

ARTICLE II

(1) As used in this Convention:

(a) The term "United States" means the United States of America, and when used in a geographical sense includes only the States, the Territories of Alaska and Hawaii, and the District of Columbia.

(b) The term "Norway" means the Kingdom of Norway; the provisions of the Convention shall not, however, extend to Svalbard and Jan Mayen, nor do they apply to the Norwegian dependencies outside Europe.

(c) The term "permanent establishment" means a branch office, factory, workshop, warehouse or other fixed place of business, but does not include the casual and temporary use of merely storage facilities, nor does it include an agency unless the agent has and exercises a general authority to negotiate and conclude contracts on behalf of an enterprise or has a stock of merchandise from which he regularly fills orders on its behalf. An enterprise of one of the contracting States shall not be deemed to have a permanent establishment in the other State merely because it carries on business dealings in such other State through a bona fide commission agent, broker or custodian acting in the ordinary course of his business as such. The fact that an enterprise of one of the contracting States maintains in the other State a fixed place of business exclusively for the purchase of goods or merchandise shall not of itself constitute such fixed place of business a permanent establishment of such enterprise. The fact that a corporation of one contracting State has a subsidiary corporation which is a corporation of the other State or which is engaged in trade or business in the other State shall not of itself constitute that subsidiary corporation a permanent establishment of its parent corporation.

(d) The term "enterprise of one of the contracting States" means, as the case may be, "United States enterprise" or "Norwegian enterprise".

(e) The term "enterprise" includes every form of undertaking whether carried on by an individual, partnership, corporation, or any other entity.

(f) The term "United States enterprise" means an enterprise carried on in the United States by a resident of the United States or by a United States corporation or other entity; the term "United States corporation or other entity" means a partnership, corporation or other entity created or organized in the United States or under the law of the United States or of any State or Territory of the United States.

(g) The term "Norwegian enterprise" means an enterprise carried on in Norway by a resident of Norway or by a Norwegian corporation or other entity; the term "Norwegian corporation or other entity" means a partnership, corporation or other entity created or organized in Norway or under Norwegian laws.

(h) The term "competent authorities" means, in the case of the United States, the Commissioner of Internal Revenue or his authorized representative; and in the case of Norway, the Ministry of Finance and Customs.

(2) In the application of the provisions of the present Convention by one of the contracting States any term not otherwise defined shall, unless the context otherwise requires, have the meaning which such term has under its own tax laws.

* * * * *

ARTICLE VI

Interest on bonds, securities, notes, debentures, or on any other form of indebtedness derived from sources within one of the contracting States by a resident or corporation or other entity of the other contracting State not having a permanent establishment in the former State shall be exempt from taxation in such former State.

ARTICLE VII

Royalties and other amounts derived, as consideration for the right to use copyrights, artistic and scientific works, patents, designs, secret processes and formulas, trade-marks and other like property (including rentals and like payments in respect of motion picture films), from sources within one of the contracting States by a resident or corporation or other entity of the other contracting State not having a permanent establishment in the former State shall be exempt from taxation in such former State: *Provided,* That each of the contracting States reserves the right according to the principles of Article IV to deny a deduction to the payor thereof for such royalty or any portion thereof as is not considered by the Revenue authorities of such State to be reasonable consideration for the right to use the property referred to in this Article.

ARTICLE VIII

(1) Income from real property (not including interest derived from mortgages and bonds secured by real property) and royalties in respect of the operation of mines, quarries, or other natural resources, shall be taxable only in the contracting State in which such property, mines, quarries, or other natural resources are situated.

(2) A resident or corporation of one of the contracting States deriving any such income from sources within the other contracting State may, for any taxable year, elect to be subject to the tax of such other contracting State, on a net basis, as if such resident or corporation were engaged in trade or business within such other contracting State through a permanent establishment therein during such taxable year.

* * * * *

ARTICLE XI

* * * * *

(2) Private pensions and life annuities derived from within one of the contracting States and paid to individuals residing in the other contracting State shall be exempt from taxation in the former State.

(3) The term "pensions", as used in this Article, means periodic payments made in consideration for services rendered or by way of compensation for injuries received.

(4) The term "life annuities" as used in this Article means a stated sum payable periodically at stated times during life, or during a specified number of years, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

* * * * *

ARTICLE XV

With a view to the more effective imposition of the taxes to which the present Convention relates, each of the contracting States undertakes, subject to reciprocity, to furnish such information in the matter of taxation, which the authorities of the State concerned have at their disposal or are in a position to obtain under their own law, as may be of use to the authorities of the other State in the assessment of the taxes in question and to lend assistance in the service of documents in connection therewith. Any information so exchanged shall be treated as secret and shall only be disclosed to persons (including a court) concerned with the assessment, determination and collection of the taxes which are the subject of the present Convention, or the determination of appeals in relation thereto. No information shall be exchanged which would disclose a trade, business, industrial or professional secret. Information and correspondence relating to the subject matter of this Article shall be exchanged between the competent authorities of the contracting States in the ordinary course or on request.

ARTICLE XVI

In accordance with the preceding Article and insofar as may be found to be practicable, the competent authorities of each contracting State shall forward to the competent authorities of the other contracting State as soon as practicable after the close of each calendar year the following information relating to such calendar year;

The names and addresses of all addressees within such other State deriving from sources within the former State dividends, interest, royalties, pensions, annuities, wages, salaries, rents, or other fixed or determinable annual or periodical income, showing the amount of such income with respect to each addressee.

* * * * *

ARTICLE XVIII

The State to which application is made for information or assistance shall comply as soon as possible with the request addressed to it except that such State may refuse to comply with the request for reasons of public policy or if compliance would involve violation of a trade, business, industrial, or professional secret.

* * * * *

ARTICLE XX

(1) The provisions of this Convention shall not be construed to deny or affect in any manner the right of diplomatic and consular officers to other or additional exemptions now enjoyed or which may hereafter be granted to such officers.

(2) The provisions of the present Convention shall not be construed to restrict in any manner any exemption, deduction, credit or other allowance now or hereafter accorded by the laws of one of the contracting States in the determination of the tax imposed by such State.

(3) Should any difficulty or doubt arise as to the interpretation or application of the present Convention, or its relationship to Conventions between one of the contracting States and any other State, the competent authorities of the contracting States may settle the question by mutual agreement.

ARTICLE XXI

(1) The competent authorities of the two contracting States may prescribe regulations necessary to carry into effect the present Convention within the respective States. With respect to the provisions of this Convention relating to exchange of information, service of documents, and mutual assistance in the collection of taxes, such authorities may, by common agreement, prescribe rules concerning matters of procedure, forms of application and replies thereto, conversion of currency, disposition of amounts collected, costs of collection, minimum amounts subject to collection and related matters.

(2) The competent authorities of the two contracting States may communicate with each other directly for the purpose of giving effect to the provisions of this Convention.

ARTICLE XXII

(1) The present Convention shall be ratified and the instruments of ratification shall be exchanged at Washington as soon as possible. It shall have effect for the taxable years beginning on or after the first day of January of the year in which such exchange takes place.

(2) The present Convention shall continue effective for a period of five years and indefinitely after that period, but may be terminated by either of the contracting States at the end of the five-year period or at any time thereafter, provided that at least six months' prior notice of termination has been given and, in such event, the present Convention shall cease to be effective for the taxable years beginning on or after the first day of January next following the expiration of the six-month period.

* * * * *

(b) As used in this Treasury decision, any term defined in the above articles of the convention shall have the meaning so assigned to it; any term not so defined shall, unless the context otherwise requires, have the meaning which such term has under the Internal Revenue Code.

§ 7.101 *Interest*—(a) *General.* Interest on bonds, securities, notes, debentures, or on any other form of indebtedness, including interest on obligations of the United States, obligations of instrumentalities of the United States, and mortgages and bonds secured by real property, derived from sources within the United States and received in taxable years beginning on or after January 1, 1951, by a nonresident alien (including a nonresident alien individual, fiduciary, and partnership) who is a resident of Norway, or by a Norwegian corporation or other entity, is exempt from United States tax under the provisions of Article VI of the convention if such alien, corporation, or other entity at no time during the taxable year had a permanent establishment in the United States. Such interest is, therefore, not subject to the withholding provisions of the Internal Revenue Code. As to what constitutes a permanent establishment, see Article II (1) (c) of the convention.

(b) *Application of exemption from withholding.* (1) To stop withholding at the source in the case of coupon bond interest the nonresident alien resident in Norway, or the Norwegian corporation or other entity, shall for each issue of bonds submit Form 1001–NO in duplicate to the paying agent with each presentation of interest coupons. Such form shall be signed by the owner of the interest, trustee, or agent and shall show the name and address of the obligor, the name and address of the owner of such interest, and the amount of such interest. Such form shall contain a statement that the owner (i) is a resident of Norway, or is a Norwegian corporation or other entity, and (ii) has no permanent establishment in the United States.

(2) The exemption from United States tax contemplated by Article VI of the convention, insofar as it concerns coupon bond interest, is applicable only to the owner of such interest. The person presenting such coupon, or on whose behalf it is presented, shall for the purpose of the exemption from tax be deemed to be the owner of the interest only if he is, at the time the coupon is presented for payment, the owner of the bond from which the coupon has been detached. If the person presenting the coupon is not the owner of the bond, Form 1001, and not Form 1001–NO, shall be executed.

(3) The original and duplicate ownership certificates, Form 1001–NO, shall be forwarded to the Commissioner of Internal Revenue by the withholding agent with the quarterly return on Form 1012, as provided in existing regulations with respect to Form 1001. See § 29.143–7 of this chapter (Regulations 111). Form 1001–NO need not be listed on Form 1012.

(4) For general provisions pertaining to the use, without reference to the provisions of the convention, of ownership certificate, Form 1001, by nonresident aliens and nonresident foreign corporations, see §§ 29.143–4 and 29.143–6 of this chapter.

(5) To stop withholding at the source in the case of interest, other than interest payable by means of coupons, the nonresident alien resident in Norway, or the Norwegian corporation or other entity, shall notify the withholding agent by letter in duplicate that such income is exempt from United States tax under the provisions of Article VI of the convention. The letter of notification shall be signed by the owner of the interest, trustee, or agent and shall show the name and address of the obligor and the name and address of the owner of such interest. It shall also contain a statement that the owner is (i) neither a citizen nor a resident of the United States but is a resident of Norway or (ii) a Norwegian corporation or other entity and that such owner has at no time during the current taxable year had a permanent establishment in the United States. In addition, it shall contain a declaration that it is made under the penalties of perjury, such declaration to consist of a statement similar to the following: "I declare under the penalties of perjury that this letter has been examined by me and to the best of my knowledge and belief is true and correct."

(6) This letter of notification, which shall constitute authorization for the payment of such interest without withholding of United States tax at source, shall be filed with the withholding agent for each successive three-calendar-year period during which such income is paid. For this purpose, the first such period shall commence with the beginning of the calendar year in which such income is first paid on or after January 1, 1952. Each such letter filed with any withholding agent shall be filed not later than 20 days preceding the date of the first payment within each successive period; or, if such first payment first occurs in the calendar year 1952, not later than 45 days following the date of approval of this Treasury decision.

(7) If such letter is also to be used as authorization for the release, pursuant to § 7.106 (a), of excess tax withheld from interest, other than interest payable by means of coupons, it shall also contain a statement that the owner was, at the time when the interest was derived from which the excess tax was withheld, (i) neither a citizen nor a resident of the United States but was a resident of Norway, or (ii) a Norwegian corporation or other entity, and that such owner at no time during the taxable year in which the interest was derived had a permanent establishment in the United States.

(8) Once a letter has been filed in respect of any three-calendar-year period, no additional letter need be filed in respect thereto unless the Commissioner of Internal Revenue notifies the withholding agent that an additional letter shall be filed by the taxpayer. If, after filing a letter of notification, the taxpayer ceases to be eligible for the exemption from United States tax provided by the convention in respect to such income, he shall promptly notify the withholding agent by letter in duplicate. When any change occurs in the ownership of the interest as recorded on the books of the payer, the exemption from United States tax will no longer apply unless a letter of notification is duly executed and filed with the withholding agent by the new owner of record of such interest.

(9) Each letter of notification, or the duplicate thereof, shall be immediately forwarded by the withholding agent to the Commissioner of Internal Revenue, Uniform Audit Branch, Alien Returns Section, Washington 25, D. C.

§ 7.102 *Dividends.* The convention does not change the rate of tax imposed by sections 211 (a) and 231 (a) of the Internal Revenue Code upon dividends. The withholding of the tax with respect to such income derived from sources within the United States by nonresident

aliens who are residents of Norway, or by Norwegian corporations or other entities, is not affected by the convention. See sections 143 (b) and 144 of the Internal Revenue Code.

§ 7.103 *Patent and copyright royalties and film rentals*—(a) *General.* Royalties and other amounts (including rentals and like payments for the use of, or for the right to use, motion picture films) derived from sources within the United States and received in taxable years beginning on or after January 1, 1951, by a nonresident alien (including a nonresident alien individual, fiduciary, and partnership) who is a resident of Norway, or by a Norwegian corporation, or other entity, as consideration for the right to use copyrights, artistic and scientific works, patents, designs, secret processes and formulas, trade-marks, and other like property, are exempt from United States tax under the provisions of Article VII of the convention if such alien, corporation, or other entity at no time during the taxable year had a permanent establishment in the United States. Such items of income are, therefore, not subject to the withholding provisions of the Internal Revenue Code. As to what constitutes a permanent establishment, see Article II (1) (c) of the convention.

(b) *Application of exemption from withholding.* (1) To stop withholding at the source in the case of the items of income described in paragraph (a) of this section, the nonresident alien resident in Norway, or the Norwegian corporation or other entity, shall notify the withholding agent by letter in duplicate that such income is exempt from United States tax under the provisions of Article VII of the convention. The provisions of § 7.101 (b) of these regulations relating to the execution, filing, and effective period of the letter of notification prescribed therein with respect to interest (other than coupon bond interest), including its use for the release of excess tax withheld, are equally applicable with respect to the income falling within the scope of this section.

(2) Each letter of notification, or the duplicate thereof, shall be immediately forwarded by the withholding agent to the Commissioner of Internal Revenue, Uniform Audit Branch, Alien Returns Section, Washington 25, D. C.

§ 7.104 *Natural resource royalties and real property rentals.* The convention does not change the rate of tax imposed by sections 211 (a) and 231 (a) of the Internal Revenue Code upon natural resource royalties and real property rentals. The withholding of the tax with respect to such items derived from sources within the United States by nonresident aliens who are residents of Norway, or by Norwegian corporations or other entities, is not affected by the convention. See sections 143 (b) and 144 of the Internal Revenue Code and Article VIII of the convention.

§ 7.105 *Pensions and life annuities*—(a) *General.* Private pensions and life annuities, as defined in Article XI (3) and (4) of the convention, derived from sources within the United States and paid in taxable years beginning on or after January 1, 1951, to a nonresident alien individual who is a resident of Norway are exempt from United States tax under the provisions of Article XI (2) of the convention. Such items of income are, therefore, not subject to the withholding provisions of the Internal Revenue Code.

(b) *Application of exemption from withholding.* (1) To stop withholding at the source in the case of the items of income described in paragraph (a) of this section, the nonresident alien individual who is a resident of Norway shall notify the withholding agent by letter in duplicate that such income is exempt from United States tax under the provisions of Article XI of the convention. The letter of notification shall show the name and address of both the payer and the owner of the income and shall contain a statement that the owner, an individual, is neither a citizen nor a resident of the United States but is a resident of Norway. In addition, it shall be signed by the owner and shall contain a written declaration that it is made under the penalties of perjury, such declaration to consist of a statement similar to the following: "I declare under the penalties of perjury that this letter has been examined by me and to the best of my knowledge and belief is true and correct".

(2) If such letter is also to be used as authorization for the release, pursuant to § 7.106 (a), of excess tax withheld from such items of income, it shall also contain a statement that the owner was, at the time when the income was paid from which the excess tax was withheld, neither a citizen nor a resident of the United States but was an individual resident of Norway.

(3) This letter shall constitute authorization for the payment of such items of income without withholding of United States tax at source unless the Commissioner of Internal Revenue subsequently notifies the withholding agent that the tax shall be withheld with respect to payments of such items of income made after receipt of such notice. If, after filing a letter of notification, the owner of the income ceases to be eligible for the exemption from United States tax provided by the convention in respect to such income, he shall promptly notify the withholding agent by letter in duplicate. When any change occurs in the ownership of such income as recorded on the books of the payer, the exemption from United States tax will no longer apply unless a letter of notification is duly executed and filed with the withholding agent by the new owner of record of such income.

(4) Each letter of notification, or the duplicate thereof, shall be immediately forwarded by the withholding agent to the Commissioner of Internal Revenue, Uniform Audit Branch, Alien Returns Section, Washington 25, D. C.

§ 7.106 *Release of excess tax withheld at source*—(a) *General.* (1) In order to bring the convention into force and effect at the earliest practicable date, the exemption from tax otherwise withheld at the source from interest, patent royalties, copyright royalties, film rentals, and the like, and from private pensions and life annuities is hereby made effective beginning January 1, 1952, contingent upon compliance with the provisions of § § 7.101, 7.103, and 7.105.

(2) In the case of every taxpayer whose address at the time of payment was in Norway and who furnishes to the withholding agent the letter of notification prescribed in §§ 7.101 (b), 7.103 (b), or 7.105 (b) as authorization for the release of excess tax withheld, where United States tax at the statutory rate (30 percent as of the date of approval of this Treasury decision) has been withheld on or after January 1, 1952, from interest (other than coupon bond interest), patent royalties, copyright royalties, film rentals, and the like, and from private pensions and life annuities, there shall be released by the withholding agent and paid over to the person from whom it was withheld an amount equal to the tax so withheld.

(3) In the case of every owner, trustee, or agent whose address at the time of payment was in Norway and who furnishes to the withholding agent Form 1001–NO clearly marked "Substitute", where United States tax at the statutory rate (28 percent or 30 percent, as the case may be, as of the date of approval of this Treasury decision) has been withheld on or after January 1, 1952, from coupon bond interest, there shall be released by the withholding agent and paid over to the person from whom it was withheld an amount equal to the tax so withheld, if such taxpayer also attaches to the original copy only of such form a letter signed by the owner, trustee, or agent and containing the following:

(i) The name and address of the obligor;

(ii) The name and address of the owner of the coupon bond interest from which the excess tax was withheld (See § 7.101 (b) as to who shall be deemed to be the owner.);

(iii) The amount of the interest from which the excess tax was withheld, and, if possible, the date of payment;

(iv) A statement that the owner was, at the time when the interest was derived from which the excess tax was withheld, (*a*) neither a citizen nor a resident of the United States but was a resident of Norway, or (*b*) a Norwegian corporation or other entity;

(v) A statement that the owner at no time during the taxable year in which such interest was derived had a permanent establishment in the United States; and

(vi) A written declaration that the letter is made under the penalties of perjury, such declaration to consist of a statement similar to the following: "I declare under the penalties of perjury that this letter has been examined by me and to the best of my knowledge and belief is true and correct".

(4) One such substitute form shall be filed in duplicate (but with one copy only of the letter) with respect to each issue of bonds and will serve with respect to that issue to replace all Forms 1001 previously filed by the taxpayer in the calendar year in which the excess tax was

withheld and with respect to which such excess is released.

(5) The original (with attachment) and duplicate of substitute Form 1001–NO shall be forwarded to the Commissioner of Internal Revenue by the withholding agent with the quarterly return on Form 1012, as provided in existing regulations with respect to Form 1001. See § 29.143–7 of this chapter (Regulations 111). Substitute Form 1001–NO need not be listed on Form 1012.

(b) *Amounts withheld during 1951.* For provisions respecting the refund of excess tax withheld during the calendar year 1951, see § 7.109.

§ 7.107 *Information to be furnished in ordinary course.* (a) In compliance with the provisions of Articles XV, XVI, and XVIII of the convention the Commisisoner of Internal Revenue will transmit to the Norwegian Ministry of Finance and Customs, as soon as practicable after the close of the calendar year 1952 and of each subsequent calendar year during which the convention is in effect, the following information relating to such preceding calendar year:

(1) The name and address of each person whose address as disclosed on each available Form 1012 and Form 1042 is in Norway deriving from sources within the United States dividends, interest, rent, royalties, salaries, wages, pensions, annuities, and other fixed or determinable annual or periodical income; and the amount of such income as disclosed on such form with respect to each such person.

(2) The duplicate copy of each available ownership certificate, Form 1001–NO, filed pursuant to § 7.101 (b), and substitute Form 1001–NO, filed pursuant to § 7.106 (a), in connection with coupon bond interest.

(b) To facilitate compliance with the above Articles of the convention, every withholding agent shall report on Form 1042 for the calendar year 1952 and each subsequent calendar year, in addition to the items of income upon which United States tax is required to be withheld at source, those items of income paid to a nonresident alien (including a nonresident alien individual, fiduciary, and partnership) who is a resident of Norway, and to a nonresident Norwegian corporation or other entity, upon which United States tax is not required to be withheld at the source. Such return shall show the same information with respect to such items of income upon which tax is not required to be withheld at the source as is shown with respect to items of income upon which the tax is required to be withheld at the source. For provisions pertaining to the return on Form 1042, see § 29.143–7 of this chapter.

§ 7.108 *Beneficiaries of a domestic estate or trust.* A nonresident alien who is a resident of Norway and who is a beneficiary of a domestic estate or trust shall be entitled to the exemption from United States tax provided in Articles VI and VII of the convention with respect to interest, royalties, and other like amounts to the extent such item or items are included in his share of the distributed or distributable income of such estate or trust. In order to be entitled in such instance to the exemption from withholding of United States tax, such beneficiary must otherwise satisfy the requirements of these respective Articles of the convention and must execute and submit to the fiduciary of such estate or trust in the United States the appropriate letter of notification prescribed in §§ 7.101 (b) and 7.103 (b).

§ 7.109 *Refund of excess tax withheld during 1951.* (a) If United States tax withheld at the source during the calendar year 1951 from interest, royalties, pensions, or life annuities is in excess of the tax imposed by Chapter 1 (relating to the income tax) of the Internal Revenue Code, as modified by the convention, a claim by the taxpayer for the refund of any overpayment shall be made under section 322 of the Internal Revenue Code by filing Form 843 together with Form 1040NB, Form 1040NB–a, Form 1040B, or Form 1120NB, whichever is applicable, or with an amended return.

(b) The taxpayer's total gross income from sources within the United States, including every item of capital gain subject to tax under the provisions of section 211 (a) (1) (B) or 211 (c) of the Internal Revenue Code, shall be disclosed on the return. In the event that securities are held in the name of a person other than the actual or beneficial owner, the name and address of such person shall be furnished with the claim. There shall also be included in such claim for refund a statement:

(1) That the taxpayer was, at the time when the item or items of income were derived (or "paid", in the case of private pensions and life annuities) from which the excess tax was withheld, (i) a nonresident alien (including a nonresident alien individual, fiduciary, or partnership) who at such time was a resident of Norway, or (ii) a Norwegian corporation or other entity; and

(2) That the taxpayer at no time during the taxable year in which such item or items of income were derived had a permanent establishment in the United States.

(c) If, however, the taxpayer is an individual who during the taxable year was paid from sources within the United States income which consists exclusively of pensions or life annuities entitled to the benefit of Article XI of the convention, the statement specified in subparagraph (1) of this paragraph shall not be required.

Because it is necessary to bring into effect at the earliest practicable date the rules of this Treasury decision respecting exemptions from tax and the rules respecting release or refund of amounts withtheld with respect to exempt income, it is hereby found that it is impracticable to issue this Treasury decision with notice and public procedure thereon under section 4 (a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4 (c) of that act.

[SEAL] JOHN S. GRAHAM,
Acting Commissioner of Internal Revenue.

Approved: December 9, 1952.

THOMAS J. LYNCH,
Acting Secretary of the Treasury.

[F. R. Doc. 52–13145; Filed, Dec. 12, 1952; 8:51 a. m.]

[T. D. 5957]

PART 7—TAXATION PURSUANT TO TREATIES

SUBPART—NEW ZEALAND

Sec.
7.600 Introductory.
7.601 Dividends.
7.602 Interest.
7.603 Patent and copyright royalties, natural resource royalties, and real property rentals.
7.604 Film rentals.
7.605 Pensions and life annuities.
7.606 Release of excess tax withheld at source.
7.607 Addressee not actual owner.
7.608 Information to be furnished in ordinary course.
7.609 Beneficiaries of a domestic estate or trust.
7.610 Refund of excess tax withheld during 1951.

AUTHORITY: §§ 7.600 to 7.610 issued under 53 Stat. 32, 467; 26 U. S. C. 62, 3791.

§ 7.600 *Introductory.* (a) The income tax convention between the United States and New Zealand, signed March 16, 1948, proclaimed by the President of the United States on December 20, 1951, and effective as respects the United States tax for taxable years beginning on or after January 1, 1951, hereinafter referred to as the convention, provides in part as follows:

ARTICLE I

(1) The taxes which are the subject of the present Convention are—

(a) In New Zealand: The income-tax and social security charge (hereinafter referred to as New Zealand tax).

(b) In the United States of America: The Federal income taxes, including surtaxes (hereinafter referred to as United States tax).

(2) The present Convention shall also apply to any other taxes of a substantially similar character imposed by either Contracting Government subsequently to the date of signature of the present Convention or by the Government of any territory to which the present Convention is extended under Article XX.

ARTICLE II

(1) In the present Convention, unless the context otherwise requires—

(a) The term "United States" means the United States of America, and when used in a geographical sense means the States, the Territories of Alaska and of Hawaii, and the District of Columbia.

(b) For the purposes of this Convention New Zealand includes all islands and territories within the limits thereof for the time being including the Cook Islands.

(c) The terms "territory of one of the Contracting Governments" and "territory of the other Contracting Government" mean

the United States or New Zealand, as the context requires.

(d) The term "tax" means United States tax or New Zealand tax, as the context requires.

(e) The term "person" includes any body of persons, corporate, or not corporate.

(f) The term "company" means any body corporate.

(g) The term "United States corporation" means a corporation, association, or other like entity created or organized in, or under the laws of, the United States.

(h) The term "New Zealand corporation" means any kind of juridical person created under the laws of New Zealand.

(i) The terms "corporation of one Contracting Government" and "corporation of the other Contracting Government" mean a United States corporation or a New Zealand corporation, as the context requires.

(j) The term "resident of New Zealand" means any person (other than a citizen of the United States or a United States corporation) who is resident in New Zealand for the purposes of New Zealand tax and not resident in the United States for the purposes of United States tax. A corporation is to be regarded as resident in New Zealand if it is incorporated under the laws of, or if its business is managed and controlled in, New Zealand.

(k) The term "resident of the United States" means any individual who is resident in the United States for the purposes of United States tax and not resident in New Zealand for the purposes of New Zealand tax, and any United States corporation and any partnership created or organized in, or under the laws of, the United States, being a corporation or partnership which is not resident in New Zealand for the purposes of New Zealand tax.

(l) The terms "resident of the territory of one of the Contracting Governments" and "resident of the territory of the other Contracting Government" mean a resident of the United States or a resident of New Zealand, as the context requires.

(m) The terms "United States enterprise" and "New Zealand enterprise" mean, respectively, an industrial or commercial enterprise or undertaking carried on by a resident of the United States and an industrial or commercial enterprise or undertaking carried on by a resident of New Zealand; and the terms "enterprise of one of the Contracting Governments" and "enterprise of the other Contracting Government" mean a United States enterprise or a New Zealand enterprise, as the context requires.

(n) The term "industrial or commercial profits" includes manufacturing, mercantile, mining, financial and farming profits, but does not include income in the form of dividends, interest, rents or royalties, insurance premiums, management charges, or remuneration for personal services.

(o) The term "permanent establishment", when used with respect to an enterprise of one of the Contracting Governments, means a branch, management, factory, mine, farm, or other fixed place of business, but does not include an agency unless the agent has, and habitually exercises, a general authority to negotiate and conclude contracts on behalf of such enterprise or regularly fills orders on its behalf from a stock of goods or merchandise.

An enterprise of one of the Contracting Governments shall not be deemed to have a permanent establishment in the territory of the other Contracting Government merely because it carries on business dealings in that territory through a bona fide broker or general commission agent acting in the ordinary course of his business as such.

The fact that an enterprise of one of the Contracting Governments maintains a fixed place of business exclusively for the purchase of goods or merchandise shall not of itself constitute that fixed place of business a permanent establishment of the enterprise.

The fact that a corporation of one Contracting Government has a subsidiary corporation which is a corporation of the other Contracting Government or which is engaged in trade or business in the territory of such other Contracting Government (whether through a permanent establishment or otherwise) shall not of itself constitute that subsidiary corporation a permanent establishment of its parent corporation. The maintenance within the territory of one of the Contracting Governments by an enterprise of the other Contracting Government of a warehouse for convenience of delivery and not for purposes of display shall not of itself constitute a permanent establishment within that territory even though offers of purchase have been obtained by an agent of the enterprise in that territory and transmitted by him to the enterprise for acceptance.

(2) In the application of the provisions of the present Convention by one of the Contracting Governments any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting Government relating to the taxes which are the subject of the present Convention.

* * * * *

ARTICLE VI

(1) The rate of United States tax on dividends derived from sources within the United States by a resident of New Zealand not engaged in trade or business within the United States through a permanent establishment therein shall not exceed 15 percent: Provided that such rate of tax shall not exceed 5 percent if such resident is a corporation controlling, directly or indirectly, at least 95 percent of the entire voting power in the corporation paying the dividend, and not more than 25 percent of the gross income of such paying corporation is derived from interest and dividends, other than interest and dividends received from its own subsidiary corporations. Such reduction of the rate to 5 percent shall not apply if the relationship of the two corporations has been arranged or is maintained primarily with the intention of securing such reduced rate.

(2) In the event that New Zealand should impose at any time tax on dividends derived from sources within New Zealand by a nonresident thereof, including a resident of the United States, not engaged in trade or business within New Zealand through a permanent establishment therein at a rate in excess of 15 percent (or 5 percent in cases corresponding to those within the scope of the proviso in paragraph (1) of this Article), either of the Contracting Governments may terminate this Article provided that notice of termination is given in writing, and, in such event, this Article shall cease to be effective as respects United States tax for the taxable years beginning on or after the first day of January next following the date on which such notice is given.

ARTICLE VII

(1) A resident of the territory of one of the Contracting Governments deriving from sources within the territory of the other Contracting Government—

(a) Royalties in respect of the operation of mines, quarries or natural resources, or

(b) Rentals from real property, or

(c) Royalties or other amounts paid as consideration for the use of, or for the privilege of using, any copyright, patent, design, secret process or formula, trademark or other like property,

may elect for any taxable year to be subject to the tax of such other Contracting Government, on a net basis, as if such resident were engaged in trade or business within the territory of such other Contracting Government through a permanent establishment therein during such taxable year.

(2) The provisions of this Article shall not apply to income falling within the scope of Article VIII of the present Convention.

ARTICLE VIII

(1) Rentals in respect of motion picture films derived from sources within the territory of one of the Contracting Governments by a resident of the territory of the other Contracting Government who is not engaged in trade or business through a permanent establishment in the former territory shall be exempt from tax by the former Government.

(2) The provisions of this Article shall not be construed to affect the New Zealand film hire tax or the income-tax imposed by New Zealand on income which is taxable under New Zealand law and which is derived by any person from the business of renting motion picture films.

* * * * *

ARTICLE XII

(1) Dividends paid by a New Zealand corporation shall be exempt from United States tax except where the recipient is a citizen of, or resident in, the United States or a United States corporation.

(2) Dividends paid by a United States corporation shall be exempt from New Zealand tax except where the recipient is resident in New Zealand.

* * * * *

ARTICLE XVI

(1) The taxation authorities of the Contracting Governments shall exchange such information (being information available under the respective taxation laws of the Contracting Governments) as is necessary for carrying out the provisions of the present Convention or for the prevention of fraud or for the administration of statutory provisions against legal avoidance in relation to the taxes which are the subject of the present Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any person other than persons (including a court) concerned with the assessment or collection of the taxes which are the subject of the present Convention or the determination of appeals in relation thereto. No information shall be exchanged which would disclose any trade secret or trade process.

(2) The term "taxation authorities" means, in the case of New Zealand, the Commissioner of Taxes or his authorized representative; in the case of the United States, the Commissioner of Internal Revenue or his authorized representative.

ARTICLE XVII

Each of the Contracting Governments may collect such tax imposed by the other Contracting Government as will ensure that the exemption or reduced rate of tax granted under the present Convention by such other Government shall not be enjoyed by persons not entitled to such benefits.

ARTICLE XVIII

* * * * *

(2) The taxation authorities of the two Contracting Governments may prescribe regulations to carry into effect the present Convention within the respective States and rules with respect to the exchange of information.

(3) The taxation authorities of the two Contracting Governments may communicate with each other directly for the purpose of giving effect to the provisions of the present Convention.

ARTICLE XIX

The provisions of the present Convention shall not be construed to restrict in any manner any exemption, deduction, credit or other allowance accorded by the laws of one of the Contracting Governments in the determination of the tax imposed by such Government.

* * * * *

ARTICLE XXI

(1) The present Convention shall be ratified and the instruments of ratification shall be exchanged at Washington as soon as possible.

(2) Upon exchange of instruments of ratification, the present Convention shall have effect—

(a) As respects United States tax, for the taxable years beginning on or after the first day of January in the calendar year in which occurs the exchange of the instruments of ratification,

(b) As respects New Zealand tax, for the year of assessment beginning on the first day of April next following the calendar year in which occurs the exchange of the instruments of ratification.

ARTICLE XXII

The present Convention shall continue effective for a period of two years and indefinitely after that period, but may be terminated by either Contracting Government at the end of such period or at any time thereafter, provided that at least six months' prior notice of termination has been given in writing and, in such event, the present Convention shall cease to be effective—

(a) As respects United States tax, for the taxable years beginning on or after the first day of January next following the expiration of the six-month period,

(b) As respects New Zealand tax, for the years of assessment beginning on or after the first day of April in the second year following the expiration of the six-month period.

* * * * *

(b) As used in this Treasury decision, any term defined in the provisions of the convention shall have the meaning so assigned to it; any term not so defined shall, unless the context otherwise requires, have the meaning which such term has under the Internal Revenue Code.

§ 7.601 *Dividends*—(a) *General.* (1) Under Article VI of the convention the rate of tax imposed with respect to dividends by section 211 (a) of the Internal Revenue Code (relating to nonresident alien individuals not engaged in trade or business within the United States) and by section 231 (a) of the Internal Revenue Code (relating to foreign corporations not engaged in trade or business within the United States) is reduced to 15 percent in the case of dividends derived from sources within the United States and received in taxable years beginning on or after January 1, 1951, by a nonresident alien (including a nonresident alien individual, fiduciary, and partnership) who is resident in New Zealand for the purposes of New Zealand tax, or by a foreign corporation (whether or not created or organized in or under the laws of New Zealand) whose business is managed and controlled in New Zealand or by a corporation incorporated under the laws of New Zealand, if such alien or corporation at no time during the taxable year was engaged in trade or business within the United States through a permanent establishment situated therein. As to what constitutes a permanent establishment, see Article II (1) (o) of the convention.

(2) Thus, if a nonresident alien individual who is resident in New Zealand for the purposes of New Zealand tax performs personal services within the United States during the taxable year, but has at no time during such year a permanent establishment within the United States, he is entitled to the reduced rate of tax with respect to dividends derived in that year from United States sources, as provided in Article VI of the convention, even though under the provisions of section 211 (b) of the Internal Revenue Code he has engaged in trade or business within the United States during such year by reason of his having rendered personal services therein.

(3) In the case of dividends paid on or after January 1, 1951, by a New Zealand corporation, as defined in Article II (1) (h) of the convention, no withholding of United States tax is required. See Article XII (1) of the convention.

(b) *Dividends paid by related corporation.* (1) Under the proviso of Article VI (1) of the convention, dividends derived from sources within the United States by a foreign corporation whose business is managed and controlled in New Zealand, or by a corporation incorporated under the laws of New Zealand, which controls directly or indirectly at the time the dividend is paid 95 percent or more of the entire voting power in the corporation paying the dividend are, when received in taxable years beginning on or after January 1, 1951, subject to United States tax at the rate of only 5 percent, if (i) not more than 25 percent of the gross income of the paying corporation for the three-year period immediately preceding the taxable year in which the dividend is paid consists of dividends and interest (other than dividends and interest received by such paying corporations from its own subsidiary corporations, if any), (ii) the relationship between the paying corporation and the foreign corporation, or between the paying corporation and the corporation incorporated under the laws of New Zealand, has not been arranged or maintained primarily with the intention of securing the reduced rate of 5 percent, and (iii) the foreign corporation, or the corporation incorporated under the laws of New Zealand, at no time during the taxable year was engaged in trade or business within the United States through a permanent establishment situated therein.

(2) Any corporation (hereinafter referred to as the claimant) which claims or contemplates claiming that dividends paid or to be paid by it are subject only to the 5 percent rate shall file the following information with the Commissioner of Internal Revenue as soon as practicable: (i) The date and place of its organization; (ii) the number of outstanding shares of stock of the claimant having voting power and the voting power thereof; (iii) the person or persons beneficially owning such stock of the claimant and their relationship to the foreign corporation, or to the corporation incorporated under the laws of New Zealand; (iv) the location, where applicable, of the management and control of the foreign corporation; (v) the amount of the gross income by years of the claimant for the three-year period immediately preceding the taxable year in which the dividend is paid; (vi) the amount of interest and dividends by years included in the gross income of the claimant, and the amount of interest and dividends by years received by the claimant from its own subsidiary corporations, if any; and (vii) the relationship between the claimant and the foreign corporation, or between the claimant and the corporation incorporated under the laws of New Zealand, deriving the dividend from sources within the United States.

(3) As soon as practicable after such information is filed, the Commissioner will determine whether the dividends concerned fall within the scope of the proviso of Article VI (1) of the convention and may authorize the release or refund of excess tax withheld with respect to dividends which come within such proviso. For additional requirements respecting the refund of excess tax withheld during 1951, see § 7.610.

(4) In any case in which the Commissioner has notified the claimant that the dividends fall within the scope of the proviso of Article VI (1) of the convention the reduced withholding rate of 5 percent, to the extent withholding of United States tax is required, will apply to any dividends subsequently paid by the claimant and derived by the foreign corporation, or by the corporation incorporated under the laws of New Zealand, unless the stock ownership of the claimant, or the character of its income, or, where applicable, the place of management and control of the foreign corporation deriving the dividend materially changes; or unless the Commissioner determines that the relationship between the two corporations concerned is being maintained primarily with the intention of securing the reduced rate of tax. In such instance, if such change in stock ownership, character of income, or place of management and control occurs, the claimant shall promptly notify the Commissioner of the then existing facts with respect thereto. The continued application of the reduced rate of 5 percent is also dependent upon the continued fulfillment of subdivision (iii) of subparagraph (1) of this paragraph.

(c) *Effect of address in New Zealand on withholding in case of dividends.* For the purpose of withholding of United States tax in the case of dividends every nonresident alien (including a nonresident alien individual, fiduciary, and partnership) whose address is in New Zealand shall be deemed by United States withholding agents to be a nonresident alien who is (1) resident in New Zealand for the purposes of New Zealand tax and (2) not engaged in trade or business within the United States through a permanent establishment situated therein; and every foreign corporation whose address is in New Zealand shall be deemed by such withholding agents to be either a foreign corporation

whose business is managed and controlled in New Zealand or a corporation incorporated under the laws of New Zealand, neither engaged in trade or business within the United States through a permanent establishment situated therein.

(d) *Rate of withholding.* (1) Withholding at source in the case of dividends derived from sources within the United States and paid on or after January 1, 1952, to nonresident aliens (including a nonresident alien individual, fiduciary, and partnership) and to foreign corporations, whose addresses are in New Zealand, shall be at the rate of 15 percent in every case except that in which, prior to the date of payment of such dividends, the Commissioner of Internal Revenue has (i) pursuant to paragraph (b) of this section notified the claimant that such dividends fall within the scope of the proviso of Article VI (1) of the convention or (ii) notified the withholding agent that the reduced rate of withholding shall not apply.

(2) The preceding provisions respecting the application of the reduced withholding rate in the case of dividends paid to nonresident aliens and foreign corporations with addresses in New Zealand are based upon the assumption that the payee of the dividend is the actual owner of the capital stock from which the dividend is derived and consequently is the person liable to United States tax upon such dividend. As to action by the recipient who is not the owner of the dividend, see § 7.607.

(3) The rate at which United States tax has been withheld from any dividend paid at any time after the expiration of the thirtieth day after the date on which this Treasury decision is published in the FEDERAL REGISTER to any person whose address is in New Zealand at the time the dividend is paid shall be shown either in writing or by appropriate stamp on the check, draft, or other evidence of payment, or on an accompanying statement.

§ 7.602 *Interest.* The convention does not change the rate of tax imposed by sections 211 (a) and 231 (a) of the Internal Revenue Code upon interest. The withholding of the tax with respect to such income derived from sources within the United States by a nonresident alien who is resident in New Zealand for the purposes of New Zealand tax, by a foreign corporation whose business is managed and controlled in New Zealand, or by a corporation incorporated under the laws of New Zealand, is not affected by the convention. See sections 143 and 144 of the Internal Revenue Code.

§ 7.603 *Patent and copyright royalties, natural resource royalties, and real property rentals.* The convention does not change the rate of tax imposed by sections 211 (a) and 231 (a) of the Internal Revenue Code upon royalties and like amounts (other than film rentals). The withholding of the tax with respect to such income derived from sources within the United States by a nonresident alien who is resident in New Zealand for the purposes of New Zealand tax, by a foreign corporation whose business is managed and controlled in New Zealand, or by a corporation incorporated under the laws of New Zealand, is not affected by the convention. See sections 143 (b) and 144 of the Internal Revenue Code and Article VII of the convention. For special provisions relating to motion picture film rentals, see § 7.604.

§ 7.604 *Film rentals*—(a) *General.* Rentals derived from sources within the United States as consideration for the use of, or for the right to use, motion picture films and received in taxable years beginning on or after January 1, 1951, by a nonresident alien (including a nonresident alien individual, fiduciary, and partnership) who is resident in New Zealand for the purposes of New Zealand tax, or by a foreign corporation (whether or not created or organized in or under the laws of New Zealand) whose business is managed and controlled in New Zealand, or by a corporation incorporated under the laws of New Zealand, are exempt from United States tax under the provisions of Article VIII of the convention if such alien or corporation at no time during the taxable year was engaged in trade or business within the United States through a permanent establishment situated therein. Such rentals are, therefore, not subject to the withholding provisions of the Internal Revenue Code. As to what constitutes a permanent establishment, see Article II (1) (o) of the convention.

(b) *Application of exemption from withholding.* (1) To stop withholding at the source in the case of the rentals described in paragraph (a) of this section, the nonresident alien resident in New Zealand for the purposes of New Zealand tax, the foreign corporation whose business is managed and controlled in New Zealand, or the corporation incorporated under the laws of New Zealand shall notify the witholding agent by letter in duplicate that such income is exempt from United States tax under the provisions of Article VIII of the convention. The letter of notification shall be signed by the owner of the rentals, trustee, or agent and shall show the name and address of the obligor and the name and address of the owner of such rentals. It shall also contain a statement that the owner is (i) neither a citizen nor a resident of the United States but is resident in New Zealand for the purposes of New Zealand tax, or (ii) a foreign corporation whose business is managed and controlled in New Zealand, or (iii) a corporation incorporated under the laws of New Zealand, and that such owner has at no time during the current taxable year been engaged in trade or business within the United States through a permanent establishment situated therein. In addition, it shall contain a declaration that it is made under the penalties of perjury, such declaration to consist of a statement similar to the following: "I declare under the penalties of perjury that this letter has been examined by me and to the best of my knowledge and belief is true and correct".

(2) This letter of notification, which shall constitute authorization for the payment of such rentals without withholding of United States tax at source, shall be filed with the withholding agent for each successive three-calendar-year period during which such income is paid. For this purpose, the first such period shall commence with the beginning of the calendar year in which such income is first paid on or after January 1, 1952. Each such letter filed with any withholding agent shall be filed not later than 20 days preceding the date of the first payment within each successive period, or, if that is not possible because of special circumstances, as soon as possible after such first payment.

(3) If such letter is also to be used as authorization for the release, pursuant to § 7.606 (a), of excess tax withheld from such rentals, it shall also contain the following:

(i) The amount of the film rentals from which the excess tax was withheld, and, if possible, the date of payment;

(ii) A statement that the owner was, at the time when the rentals were derived from which the excess tax was withheld, (*a*) neither a citizen nor a resident of the United States but was resident in New Zealand for the purposes of New Zealand tax, or (*b*) a foreign corporation whose business at such time was managed and controlled in New Zealand, or (c) a corporation incorporated under the laws of New Zealand; and

(iii) A statement that the owner at no time during the taxable year in which such film rentals were derived was engaged in trade or business within the United States through a permanent establishment situated therein.

(4) Once a letter has been filed in respect of any three-calendar-year period, no additional letter may be filed in respect thereto unless the Commissioner of Internal Revenue notifies the withholding agent that an additional letter shall be filed by the taxpayer. If, after filing a letter of notification, the taxpayer ceases to be eligible for the exemption from United States tax provided by the convention in respect to such rentals, he shall promptly notify the withholding agent by letter in duplicate. When any change occurs in the ownership of the rentals as recorded on the books of the payer, the exemption from withholding of United States tax shall no longer apply unless a letter of notification is duly executed and filed with the withholding agent by the new owner of record of such rentals.

(5) Each letter of notification, or the duplicate thereof, shall be immediately forwarded by the withholding agent to the Commissioner of Internal Revenue, Uniform Audit Branch, Alien Returns Section, Washington 25, D. C.

§ 7.605 *Pensions and life annuities.* The convention does not change the rate of tax imposed by section 211 (a) of the Internal Revenue Code upon private pensions and life annuities. The withholding of the tax with respect to such items of income derived from sources within the United States by a nonresident alien individual who is resident in New Zealand for the purposes of New Zealand tax is not affected by the convention. See section 143 (b) of the Internal Revenue Code.

§ 7.606 *Release of excess tax withheld at source*—(a) *General.* (1) In order to bring the convention into force and effect at the earliest practicable date, the reduced rate of tax of 15 percent to be withheld at the source from dividends and the exemption from tax otherwise withheld at the source from film rentals are hereby made effective beginning January 1, 1952, contingent upon compliance with the provisions of §§ 7.601 and 7.604.

(2) In the case of dividends derived from sources within the United States and paid to a nonresident alien (including a nonresident alien individual, fiduciary, and partnership) or to a foreign corporation, whose address at the time of payment was in New Zealand, where United States tax at the statutory rate (30 percent as of the date of approval of this Treasury decision) has been withheld from such dividends on or after January 1, 1952, there shall be released (except as provided in paragraph (b) of this section) by the withholding agent and paid over to the person from whom it was withheld an amount which is equal to the amount obtained by subtracting 15 percent of such dividends from the tax so withheld.

(3) In the case of every taxpayer whose address at the time of payment was in New Zealand and who furnishes to the withholding agent the letter of notification prescribed in § 7.604 (b) as authorization for the release of excess tax withheld, where United States tax at the statutory rate (30 percent as of the date of approval of this Treasury decision) has been withheld from motion picture film rentals on or after January 1, 1952, there shall be released by the withholding agent and paid over to the person from whom it was withheld an amount equal to the tax so withheld.

(b) *Dividends paid by related corporation.* In the case of every corporation receiving notification from the Commissioner of Internal Revenue under the provisions of § 7.601 (b) that dividends paid or to be paid by it fall within the scope of the proviso of Article VI (1) of the convention, where United States tax in excess of the applicable rate of 5 percent has been withheld on or after January 1, 1952, from dividends which come within the scope of such proviso, the withholding agent shall, if so authorized in such notification, release and pay over to the corporation from which it was withheld the excess tax withheld with respect to such dividends.

(c) *Amounts withheld during 1951.* For provisions respecting the refund of excess tax withheld during the calendar year 1951, see § 7.610.

§ 7.607 *Addressee not actual owner.* (a) If the recipient in New Zealand of any dividend from sources within the United States, with respect to which United States tax at the reduced rate of 15 percent has been withheld at source pursuant to § 7.601 (d), is a nominee or representative through whom such dividend flows to a person other than one described in § 7.601 (a) as being entitled to such reduced rate, such recipient in New Zealand shall withhold an additional amount of United States tax equivalent to the United States tax which would have been withheld if the convention had not been in effect (30 percent of such dividend as of the date of approval of this Treasury decision) minus the 15 percent which has been withheld at the source.

(b) In any case in which a fiduciary or partnership with an address in New Zealand receives, otherwise than as a nominee or representative, a dividend from sources within the United States with respect to which United States tax at the reduced rate of 15 percent has been withheld at source pursuant to § 7.601 (d), if a beneficiary of such fiduciary or a partner in such partnership is not entitled to the reduced rate of tax provided in Article VI (1) of the convention, the fiduciary or partnership shall withhold an additional amount of United States tax with respect to the portion of such dividend included in such beneficiary's share of the distributed or distributable income, or in such partner's distributive share of the income, of such fiduciary or partnership, as the case may be. The amount of the additional tax is to be calculated in the same manner as under the immediately preceding paragraph.

(c) If any amount of United States tax is released pursuant to § 7.606 (a) by the withholding agent in the United States with respect to a dividend received by such a person with an address in New Zealand, the latter shall also withhold from such released amount any additional amount of United States tax, otherwise required to be withheld by the preceding provisions of this section in respect of such dividend, in the same manner as if at the time of payment of such dividend United States tax at the rate of only 15 percent had been withheld at source therefrom.

(d) The amounts so withheld by such withholding agents in New Zealand shall be deposited, without converting such amounts into United States dollars, with the New Zealand Commissioner of Taxes on or before the 15th day after the close of the quarter of the calendar year in which such withholding in New Zealand occurs. Each withholding agent making such deposit shall render therewith the appropriate New Zealand form as prescribed in regulations issued by the Commissioner of Taxes. The Commissioner of Taxes has arranged that the amounts so deposited will be remitted by draft in United States dollars to the Director of Internal Revenue, Baltimore, Maryland, U. S. A., on or before the end of the calendar month in which the deposits are made, such draft to be accompanied by the New Zealand form rendered by the withholding agents in New Zealand in connection with such deposits.

§ 7.608 *Information to be furnished in ordinary course.* (a) In compliance with the provisions of Article XVI of the convention the Commissioner of Internal Revenue will transmit to the New Zealand Commissioner of Taxes, as soon as practicable after the close of the calendar year 1952 and of each subsequent calendar year during which the convention is in effect, the following information relating to such preceding calendar year:

The name and address of each person, whose address as disclosed on each available Form 1012 and Form 1042 is in New Zealand, deriving from sources within the United States dividends, interest, rent, royalties, salaries, wages, pensions, annuities, and other fixed or determinable annual or periodical income; and the amount of such income as disclosed on such form with respect to each such person.

(b) To facilitate compliance with the above Article of the convention, every withholding agent shall report on Form 1042 for the calendar year 1952 and each subsequent calendar year, in addition to the items of income upon which United States tax is required to be withheld at source, those items of income paid to a nonresident alien (including a nonresident alien individual, fiduciary, and partnership) who is resident in New Zealand for the purposes of New Zealand tax, or to a nonresident foreign corporation whose business is managed and controlled in New Zealand, or to a nonresident corporation incorporated under the laws of New Zealand, upon which United States tax is not required to be withheld at the source. Such return shall show the same information with respect to such items of income upon which tax is not required to be withheld at the source as is shown with respect to items of income upon which the tax is required to be withheld at the source. For provisions pertaining to the return on Form 1042, see § 29.143–7 of this chapter.

§ 7.609 *Beneficiaries of a domestic estate or trust.* A nonresident alien who is resident in New Zealand for the purposes of New Zealand tax and who is a beneficiary of a domestic estate or trust shall be entitled to the exemption from, or reduction in the rate of, United States tax provided in Articles VI, VIII, and XII of the convention with respect to dividends and film rentals to the extent such item or items are included in his share of the distributed or distributable income of such estate or trust. In order to be entitled in such instance to the exemption from, or reduction in the rate of, withholding of United States tax such beneficiary must otherwise satisfy the requirements of these respective Articles of the convention and must, where applicable, execute and submit to the fiduciary of such estate or trust in the United States the letter of notification prescribed in § 7.604 (b).

§ 7.610 *Refund of excess tax withheld during 1951.* (a) If United States tax withheld at the source during the calendar year 1951 from dividends or film rentals is in excess of the tax imposed by Chapter 1 (relating to the income tax) of the Internal Revenue Code, as modified by the convention, a claim by the taxpayer for the refund of any overpayment shall be made under section 322 of the Internal Revenue Code by filing Form 843 together with Form 1040NB, Form 1040NB–a, Form 1040B, or Form 1120NB, whichever is applicable, or with an amended return.

(b) The taxpayer's total gross income from sources within the United States, including every item of capital gain sub-

ject to tax under the provisions of section 211 (a) (1) (B) or 211 (c) of the Internal Revenue Code, shall be disclosed on the return. In the event that securities are held in the name of a person other than the actual or beneficial owner, the name and address of such person shall be furnished with the claim. There shall also be included in such claim for refund a statement:

(1) That the taxpayer was, at the time when the item or items of income were derived, (i) a nonresident alien as to the United States (including a nonresident alien individual, fiduciary, or partnership) who at such time was resident in New Zealand for the purposes of New Zealand tax, (ii) a foreign corporation whose business at such time was managed and controlled in New Zealand, or (iii) a corporation incorporated under the laws of New Zealand; and

(2) That the taxpayer at no time during the taxable year in which the income was derived was engaged in trade or business within the United States through a permanent establishment situated therein.

(c) As to additional information required in the case of a foreign corporation, or of a corporation incorporated under the laws of New Zealand, claiming the benefit of the 5 percent rate on dividends paid by a related corporation, see § 7.601 (b).

Because it is necessary to bring into effect at the earliest practicable date the rules of this Treasury decision respecting reduced rates of, or exemptions from, tax and the rules respecting release or refund of amounts withheld in excess of such reduced rates, or with respect to exempt income, it is hereby found that it is impracticable to issue this Treasury decision with notice and public procedure thereon under section 4 (a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4 (c) of that act.

[SEAL] JOHN S. GRAHAM,
Acting Commissioner of Internal Revenue.

Approved December 9, 1952.

THOMAS J. LYNCH,
Acting Secretary of the Treasury.

[F. R. Doc. 52-13159; Filed, Dec. 12, 1952; 8:55 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter IV—Joint Regulations of the Armed Forces

Subchapter A—Armed Services Procurement Regulation

PART 412—GOVERNMENT PROPERTY

MISCELLANEOUS AMENDMENTS

The following amendments and additions are made to Part 412—Government Property (32 CFR 412). All of the amendments and additions relate to the handling of government property in the possession of research and development contractors, when they are non-profit scientific or educational institutions performing under non-profit contracts. A separate manual for the control of such government property has been issued as Appendix C to this regulation. These changes incorporate the manual into the regulation, and provide for special contract clauses for the above-mentioned contractors, and are applicable to procurements initiated on and after 1 July 1952.

SUBPART A—GENERAL

1. The following § 412.101–9 is added.

§ 412.101–9 *Educational or other nonprofit organization.* The term "educational or other nonprofit organization" means any corporation, foundation, trust, or institution operated for scientific or educational purposes, not organized for profit, no part of the net earnings of which inures to the profit of any private shareholder or individual.

2. Section 412.103 is amended to read as follows:

§ 412.103 *Control of Government property.* The "Manual for Control of Government Property in Possession of Contractors" is Appendix B to this subchapter, and the "Manual for Control of Government Property in Possession of non-Profit Research and Development Contractors" is Appendix C to this subchapter. Both Manuals are incorporated into this subchapter and made a part thereof.

SUBPART D—INDUSTRIAL FACILITIES

1. Section 412.409 is amended to read as follows:

§ 412.409 *Identification and records.* Each facilities contract under which industrial facilities are provided by the Government shall require the contractor, without cost to the Government thereunder, to maintain adequate property control records and a system of identification of such industrial facilities in accordance with the provisions of the "Manual for Control of Government Property in Possession of Contractors," (Appendix B) as in effect on the date of the contract, and in the case of facilities furnished to non-profit research and development contractors, in accordance with the provisions of the "Manual for Control of Government Property in Possession of Non-Profit Research and Development Contractors", (Appendix C) as in effect on the date of the contract. Nothing in this paragraph shall limit a contractor's rights with respect to costs properly allocable under other contracts.

SUBPART E—CONTRACT CLAUSES

1. Section 412.501 is amended to read as follows:

§ 412.501 *Applicability.* (a) As used in this subpart, the term "fixed-price contract for supplies or services" shall mean any contract (1) entered into either by formal advertising or by negotiation, but excluding purchase orders for $1,000 or less, letter contracts, letters of intent, preliminary notices of award and amendments or modifications to contracts or purchase orders; (2) at a fixed-price (with or without provisions for price redetermination, escalation, or other form of price adjustment) as covered in §§ 402.402 to 402.404 inclusive of this subchapter; and (3) for supplies or services other than the construction, alteration or repair of buildings, bridges, roads, or other kinds of real property.

(b) As used in this subpart, the term "cost-reimbursement type contract for supplies or services" shall mean any contract (other than a letter contract, letter of intent, preliminary notice of award, or amendment or modification of a contract) entered into by negotiation on a cost or cost-plus-a-fixed-fee basis as covered in §§ 402.404 to 402.406, inclusive, of this subchapter, for supplies or services other than the construction, alteration, or repair of buildings, bridges, roads, or other kinds of real property.

2. Section 412.502 is amended to read as follows:

§ 412.502 *Government - furnished property clause for fixed-price contracts.* The following clause shall be used in fixed-price contracts for supplies or services (except contracts for experimental, developmental, or research work with educational or non-profit institutions, where no profit to the Contractor is contemplated) under which a Department is to furnish to the Contractor, material, special tooling, or such industrial facilities as may be furnished under § 412.402 (a).

GOVERNMENT-FURNISHED PROPERTY

(a) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the property which the schedule or the specifications state the Government will furnish (hereinafter referred to as "Government-furnished property"). The delivery or performance dates for the supplies or services to be furnished by the Contractor under this contract are based upon the expectation that Government-furnished property of a type suitable for use will be delivered to the Contractor at the times stated in the schedule or if not so stated in sufficient time to enable the Contractor to meet such delivery or performance dates. In the event that Government-furnished property is not delivered to the Contractor by such time or times, the Contracting Officer shall, if requested by the Contractor, make a determination of the delay occasioned the Contractor thereby, and shall grant to the Contractor a reasonable extension of time in respect of such delivery or performance dates. The Government shall not be liable to the Contractor for damages or loss of profit by reason of any delay in delivery of or failure to deliver any or all of the Government-furnished property, except that in case of such delay or failure, upon the written request of the Contractor, an equitable adjustment shall be made in the delivery or performance dates, or price, or both, and in any other contractual provision affected thereby, in accordance with the procedures provided for in the clause of this contract entitled "Changes."

(b) By notice in writing, the Contracting Officer may decrease the property furnished or to be furnished by the Government under this contract. In any such case, upon the written request of the Contractor, an equitable adjustment shall be made in the delivery or performance dates, or price, or both, and in any other contractual provisions affected by such decrease, in accordance with the procedures provided for in the clause of this contract entitled "Changes."

(c) Title to the Government-furnished property shall remain in the Government. Title to Government-furnished property shall not be affected by the incorporation or attachment thereof to any property not owned

by the Government, nor shall such Government-furnished property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty. The Contrator shall maintain adequate property control records of Government-furnished property in accordance with the provisions of the "Manual for Control of Government Property in Possession of Contractors", dated March 1951.

(d) The Government-furnished property shall, unless otherwise provided herein, be used only for the performance of this contract.

(e) The Contractor shall maintain and administer, in accordance with sound industrial practice, a program for the maintenance, repair, protection and preservation of Government-furnished property, until disposed of by the Contractor in accordance with this clause. In the event that damaged or defective Government-furnished property is delivered to the Contractor, or any other damage occurs to Government-furnished property the risk of which has been assumed by the Government under this contract, the Government shall replace such items or the Contractor shall make such repair of the property as the Government directs: *Provided, however,* That if the Contractor cannot effect such repair within the time required, the Contractor may reject such property. The contract price includes no compensation to the Contractor for the performance of any repair or replacement for which the Government is responsible, and an equitable adjustment will be made in the contract price for any such repair or replacement of Government-furnished property made at the direction of the Government. Any repair or replacement for which the Contractor is responsible under the provisions of this contract shall be accomplished by the Contractor at its own expense.

The following provision (f) is for the use in advertised fixed-price contracts:

(f) Unless otherwise provided in this contract, the Contractor, upon delivery to it of any Government-furnished property, assumes the risk of, and shall be responsible for, any loss thereof or damage thereto except for reasonable wear and tear and except to the extent that such property is consumed in the performance of this contract.

The following provision (f) is for use in negotiated fixed-price contracts:

(f) (i) Except for loss, destruction or damage resulting from a failure of the Contractor due to willful misconduct or lack of good faith of any of the Contractor's managerial personnel as defined herein, to maintain and administer the program for the maintenance, repair, protection and preservation of the Government-furnished property, as required by paragraph (e) hereof, and except as specifically provided in clause(s) ____ of this contract, or in the clause or clauses of this contract designated in the Schedule, the Contractor shall not be liable for loss or destruction of or damage to the Government-furnished property (A) caused by any peril while the property is in transit off the Contractor's premises, or (B) caused by any of the following perils while the property is on the Contractor's or subcontractor's premises, or on any other premises where such property may properly be located, or by removal therefrom because of any of the following perils:

(I) Fire; lightning; windstorm, cyclone, tornado, hail; explosion; riot, riot attending a strike, civil commotion; vandalism and malicious mischief; sabotage; aircraft or objects falling therefrom; vehicles running on land or tracks, excluding vehicles owned or operated by the Contractor or any agent or employee of the Contractor; smoke; sprinkler leakage; earthquake or volcanic eruption; flood, meaning thereby rising of a body of water; hostile or warlike action, including action in hindering, combating, or defending against an actual, impending or expected attack by any government or sovereign power (de jure or de facto), or by any authority using military, naval, or air forces, or by an agent of any such government, power, authority, or forces; or

(II) Other peril, of a type not listed above, if such other peril is customarily covered by insurance (or by a reserve for self-insurance) in accordance with the normal practice of the Contractor, or the prevailing practice in the industry in which the Contractor is engaged with respect to similar property in the same general locale.

The perils as set forth in (A) and (B) above are hereinafter called "excepted perils."

The term "Contractor's managerial personnel" as used herein means the Contractor's directors, officers and any of its managers, superintendents, or other equivalent representatives who have supervision or direction of (I) all or substantially all of the Contractor's business; (II) all or substantially all of the Contractor's operation at any one plant or separate location at which the contract is being performed; (III) a separate and complete major industrial operation in connection with the performance of this contract.

(ii) The Contractor represents that it is not including in the price hereunder, and agrees that it will not hereafter include in any price to the Government, any charge or reserve for insurance (including self-insurance funds or reserves) covering loss or destruction of or damage to the Government-furnished property caused by any excepted peril.

(iii) Upon the happening of loss or destruction of or damage to any Government-furnished propery caused by an excepted peril, the Contractor shall notify the Contracting Officer thereof, and shall communicate with the Loss and Salvage Organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the Loss and Salvage Organization so designated (unless the Contracting Officer has directed that no such organization be employed), shall take all reasonable steps to protect the Government-furnished property from further damage, separate the damaged and undamaged Government-furnished property, put all the Government-furnished property in the best possible order, and furnish to the Contracting Officer a statement of: (A) the lost, destroyed and damaged Government-furnished property (B) the time and origin of the loss, destruction or damage, (C) all known interests in commingled property of which the Government-furnished property is a part, and (D) the insurance, if any covering any part of or interest in such commingled property. The Contractor shall be reimbursed for the expenditures made by it in performing its obligations under this subparagraph (iii) (including charges made to the Contractor by the Loss and Salvage Organization, except any of such charges the payment of which the Government has, at its option, assumed directly), to the extent approved by the Contracting Officer and set forth in a Supplemental Agreement.

(iv) With the approval of the Contracting Officer after loss or destruction of or damage to Government-furnished property, and subject to such conditions and limitations as may be imposed by the Contracting Officer, the Contractor may, in order to minimize the loss to the Government or in order to permit resumption of business or the like, sell for the account of the Government any item of Government-furnished property which has been damaged beyond practicable repair, or which is so commingled or combined with property of others, including the Contractor, that separation is impracticable.

(v) Except to the extent of any loss or destruction of or damage to Government-furnished property for which the Contractor is relieved of liability under the foregoing provisions of this clause, and except for reasonable wear and tear or depreciation, or the utilization of the Government-furnished property in accordance with the provisions of this contract, the Government-furnished property (other than property permitted to be sold) shall be returned to the Government is as good condition as when received by the Contractor in connection with this contract, or as repaired under paragraph (e) above.

(vi) In the event the Contractor is reimbursed or compensated for any loss or destruction of or damage to the Government-furnished property, caused by an excepted peril, it shall equitably reimburse the Government. The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any such loss, destruction or damage and, upon the request of the Contracting Officer shall at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery.

(vii) (Where applicable.) In the event any aircraft are to be furnished under this contract, any loss or destruction of, or damage to, such aircraft or other Government-furnished property occurring in connection with operations of said aircraft will be governed by the clause of this contract captioned "Flight Risks," to the extent such clause is, by its terms, applicable.

(g) The Government shall at all reasonable times have access to the premises wherein any Government-furnished property is located.

(h) Upon the completion of this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of Government-furnished property not consumed in the performance of this contract (including any resulting scrap), or not theretofore delivered to the Government, and shall deliver or make such other disposal of such Government-furnished property, as may be directed or authorized by the Contracting Officer. Recoverable scrap from Government-furnished property shall be reported in accordance with a procedure and in such form as the Contracting Officer may direct. The net proceeds of any such disposal shall be credited to the contract price or shall be paid in such other manner as the Contracting Officer may direct.

(i) Directions of the Contracting Officer and communications of the Contractor issued pursuant to this Clause shall be in writing.

3. Section 412.503 is amended to read as follows.

§ 412.503 *Government property clause for cost-reimbursement type contracts.* The following clause shall be used in cost-reimbursement type contracts for supplies and services (except contracts for experimental, developmental, or research work with educational or nonprofit institutions, where no profit to the Contractor is contemplated) under which a Department is to furnish to the Contractor, or the Contractor is to acquire for the account of the Government, material, special tooling, or industrial facilities within the policy set forth in § 412.402 (a).

GOVERNMENT PROPERTY

(a) The Government shall deliver to the Contractor the property described in the Schedule or the Specifications at the times stated therein, or if not so stated in sufficient time to enable the Contractor to perform this contract. If any of such property

is not delivered to the Contractor by such time or times, the Contracting Officer, upon written request of the Contractor, shall equitably adjust the time of performance of this contract. In no event shall the Government be liable to the Contractor for damages or loss of profit by reason of any delay in or failure to deliver any or all of the items set forth in the Schedule or Specifications.

(b) Title to all property furnished by the Government shall remain in the Government. Title to all property purchased by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the Government upon delivery of such property by the vendor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in the Government upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of processing or use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the Government, whichever first occurs. All the items to be furnished by the Government, as set forth in the Schedule or Specifications, together with all property acquired by the Contractor title to which vests in the Government under this paragraph, are subject to the provisions of this clause and are hereinafter collectively referred to as "Government property."

(c) Title to the Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personality by reason of affixation to any realty. The Contractor shall maintain adequate property control records of the Government property and shall identify the Government property as such in accordance with the provisions of the "Manual for Control of Government property in Possession of Contractors," dated March 1951, which is incorporated herein by reference.

(d) The Government property provided or furnished pursuant to the terms of this contract shall, unless otherwise provided herein, be used only for the performance of this contract.

(e) The Contractor shall maintain and administer in accordance with sound industrial practice, a program for the maintenence, repair, protection and preservation of Government property so as to assure its full availability and usefulness for the performance of this contract. The Contractor shall take all reasonable steps to comply with all appropriate directions or instructions which the Contracting Officer may prescribe as reasonably necessary for the protection of Government property.

(f) (i) The Contractor shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage, except that the Contractor shall be responsible for any such loss or damage (including expenses incidental thereto) (A) which results from willful misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who has supervision or direction of (I) all or substantially all of the Contractor's business, or (II) all or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed, or (III) a separate and complete major industrial operation in connection with the performance of this contract; or (B) which results from a failure on the part of the Contractor, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in subparagraph (A) above, to maintain and administer, in accordance with sound industrial practice, the program for maintenance, repair, protection and preservation of Government property as required by paragraph (e) hereof, or which results from a failure on the part of the Contractor to take all reasonable steps to comply with any appropriate written directions of the Contracting Officer under paragraph (e) hereof; or (C) for which the Contractor is otherwise responsible under the express terms of clause(s) ____ of this contract, or of the clause or clauses designated in the Schedule; or (D) which results from a risk expressly required to be insured under this contract, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or (E) which results from a risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement: *Provided,* That, if more than one of the above exceptions shall be applicable in any case, the Contractor's liability under any one exception shall not be limited by any other exception.

(ii) The Contractor shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government may have required the Contractor to carry such insurance under any other provision of this contract.

(iii) Upon the happening of loss or destruction of or damage to the Government property, the Contractor shall notify the Contracting Officer thereof, and shall communicate with the Loss and Salvage Organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the Loss and Salvage Organization so designated (unless the Contracting Officer has designated that no such organization be employed), shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Contracting Officer a statement of (A) the lost, destroyed and damaged Government Property, (B) the time and origin of the loss, destruction or damage, (C) all known interests in commingled property of which the Government property is a part, and (D) the insurance, if any, covering any part of or interest in such commingled property. The Contractor shall make repairs and renovations of the damaged Government property or take such other action, as the Contracting Officer directs.

(iv) In the event the Contractor is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, it shall use the proceeds to repair, renovate or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the contract, or shall otherwise reimburse the Government, as directed by the Contracting Officer. The Contractor shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction or damage and, upon the request of the Contracting Officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery.

For use where applicable. (v) In the event any aircraft are to be furnished under this contract, any loss or destruction of, or damage to, such aircraft or other Government property occurring in connection with operations of said aircraft will be governed by the clause of this contract captioned "Flight Risks," to the extent such clause is, by its terms, applicable.

(g) The Government shall at all reasonable times have access to the premises where any of the Government property is located.

(h) The Government property shall remain in the possession of the Contractor for such period of time as is required for the performance of this contract unless the Contracting Officer determines that the interests of the Government require removal of such property. In such case the Contractor shall promptly take such action as the Contracting Officer may direct with respect to the removal and shipping of Government property. In any such instance, the contract may be amended to accomplish an equitable adjustment in the terms and provisions thereof.

(i) Upon the completion of this contract, or at such earlier date as may be fixed by the Contracting Officer, the Contractor shall submit to the Contracting Officer in a form acceptable to him, inventory schedules covering all items of the Government property not consumed in the performance of this contract (including any resulting scrap), or not theretofore delivered to the Government, and shall deliver or make such other disposal of the Government property as may be directed by the Contracting Officer. Recoverable scrap shall be reported in accordance with a procedure and in such form as the Contracting Officer may direct. The net proceeds of any such disposal approved by the Contracting Officer shall be credited to the cost of the work covered by the contract or shall be paid in such manner as the Contracting Officer may direct.

(j) Unless otherwise provided herein, the Government shall not be under any duty or obligation to restore or rehabilitate, or to pay the costs of the restoration or rehabilitation of the Contractor's plant or any portion thereof which is affected by the removal of any Government property.

(k) Directions of the Contracting Officer and communications of the Contractor issued pursuant to this clause shall be in writing.

4. The following § 412.505 is added.

§ 412.505 *Government-furnished property clause for fixed-price contracts (nonprofit research and development contracts).* The following clause shall be used in fixed-price research and development contracts with nonprofit organizations (provided such contracts are executed on a nonprofit basis) under which a Department is to furnish property to the Contractor.

GOVERNMENT-FURNISHED PROPERTY

(a) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the property which the schedule or the specifications state the Government will furnish (hereinafter referred to as "Government-furnished property"). The delivery or performance dates for the supplies or services to be furnished by the Contractor under this contract are based upon the expectation that Government-furnished property of a type suitable for use will be delivered to the Contractor at the times stated in the schedule, or if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates. In the event that Government-furnished property is not delivered to the Contractor by such time or times, the Contracting Officer shall, if requested by the Contractor, make a determination of the delay occasioned the Contractor thereby, and shall grant to the Contractor a reasonable extension of time in respect of such delivery or performance dates. The Government shall not be liable to the Contractor for damages or loss by

reason of any delay in delivery of or failure to deliver any or all of the Government-furnished property, except that in case of such delay or failure, upon the written request of the Contractor, an equitable adjustment shall be made in the delivery or performance dates, or price, or both, and in any other contractual provision affected thereby, in accordance with the procedures provided for in the clause of this contract entitled "Changes."

(b) By notice in writing the Contracting Officer may decrease the property furnished or to be furnished by the Government under this contract. In any such case, upon the written request of the Contractor, an equitable adjustment shall be made in the delivery or performance dates, or price, or both, and in any other contractual provisions affected by such decrease, in accordance with the procedures provided for in the clause of this contract entitled "Changes."

(c) Title to the Government-furnished property shall remain in the Government. Title to Government-furnished property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government-furnished property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty.

(d) The Government-furnished property shall, unless otherwise provided herein, and except as may be otherwise approved by the Contracting Officer, be used only for the performance of this contract.

(e) The Contractor shall maintain and administer, in accordance with sound business practice, a program for the maintenance, repair, protection and preservation of Government-furnished property, until disposed of by the Contractor in accordance with this clause. In the event that damaged or defective Government-furnished property is delivered to the Contractor, or any other damage occurs to Government-furnished property the risk of which has been assumed by the Government under this contract, the Government shall replace such items or the Contractor shall make such repair of the property as the Government directs: *Provided, however,* That if the Contractor canont effect such repair within the time required, the Contractor may reject such property. The contract price includes no compensation to the Contractor for the performance of any repair or replacement for which the Government is responsible, and an equitable adjustment will be made in the contract price for any such repair or replacement of Government-furnished property made at the direction of the Government. Any repair or replacement for which the Contractor is responsible under the provisions of this contract shall be accomplished by the Contractor at its own expense.

(f) The provisions of Part III, Appendix C, Armed Services Procurement Regulation, Manual for Control of Government Property in Possession of Non-Profit Research and Development Contractors, as issued under date of June 1952, insofar as they relate to Government-furnished property, are herein incorporated by reference. The Contractor agrees to comply with the provisions thereof relating to the keeping of property control records, identification and marking, segregation and commingling, taking of inventories, and control of salvage and scrap, and the Contractor also accepts the responsibilities set forth in said Part III with respect to Government-furnished property.

(g) The Contractor agrees to make available to authorized representatives of the Contracting Officer at all reasonable times at the office of the Contractor all of its property records under this contract, and access to any premises where any of the Government-furnished property is located.

(h) (i) The Contractor shall not be liable for any loss of or damage to the Government-furnished property, or for expenses incidental to such loss or damage except that the Contractor shall be liable for any such loss or damage (including expenses incidental thereto):

(A) Which results from willful misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives who have supervision or direction of all or substantially all of the Contractor's business, or all or substantially all of the Contractor's operations at any one plant, laboratory, or separate location in which this contract is being performed; or

(B) Which results from a failure on the part of the Contractor, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in subparagraph (A) above, to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection and preservation of Government-furnished property as required by subparagraph (e) above; or

(C) For which the Contractor is otherwise responsible under the express terms of clause(s) ____ of this contract, or of the clause or clauses designated in the (insert "task orders," "schedules," or "specifications" as appropriate); or

(D) Which results from a risk expressly required to be insured under some other provision of this contract, or of the schedules or task orders thereunder, but only to the extent of the insurance so required to be procured and maintained or to the extent of insurance actually procured and maintained, whichever is greater; or

(E) Which results from a risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

Provided, That, if more than one of the above exceptions shall be applicable in any case, the Contractor's liability under any one exception shall not be limited by any other exception.

(ii) The Contractor represents that it is not including in the price hereunder, and agrees that it will not hereafter include in any price to the Government, any charge or reserve for insurance (including self-insurance funds or reserves) covering loss or destruction of or damage to the Government-furnished property, except to the extent that the risk of loss is imposed on the Contractor under (i) (C) above, or insurance has been required under (i) (D) above.

(iii) Upon the happening of loss or destruction of or damage to any Government-furnished property, the Contractor shall notify the Contracting Officer thereof and shall communicate with the Loss and Salvage Organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the Loss and Salvage Organization so designated (unless the Contracting Officer has directed that no such organization be employed) shall take all reasonable steps to protect the Government-furnished property from further damage, separate the damaged and undamaged Government-furnished property, put all the Government-furnished property in the best possible order, and furnish to the Contracting Officer a statement of:

(A) The lost, destroyed and damaged Government-furnished property;

(B) The time and origin of the loss, destruction or damage;

(C) All known interests in commingled property of which the Government-furnished property is a part; and

(D) The insurance, if any, covering any part of or interest in such commingled property.

The Contractor shall be reimbursed for the expenditures made by it in performing its obligations under this subparagraph (iii) (including charges made to the Contractor by the Loss and Salvage Organization, except any of such charges the payment of which the Government has, as its option, assumed directly), to the extent approved by the Contracting Officer and set forth in a Supplemental Agreement or amendment to this contract.

(iv) With the approval of the Contracting Officer after loss or destruction of or damage to Government-furnished property, and subject to such conditions and limitations as may be imposed by the Contracting Officer, the Contractor may, in order to minimize the loss to the Government or in order to permit resumption of business or the like, sell for the account of the Government any item of Government-furnished property which has been damaged beyond practicable repair, or which is so commingled or combined with property of others, including the Contractor, that separation is impracticable.

(v) Except to the extent of any loss or destruction of or damage to Government-furnished property for which the Contractor is relieved of liability under the foregoing provisions of this clause, and except for reasonable wear and tear or depreciation, or the utilization of the Government-furnished property in accordance with the provisions of this contract, the Government furnished property (other than property permitted to be sold) shall be returned to the Government in as good condition as when received by the Contractor in connection with this contract, or as repaired under paragraph (e) above.

(vi) In the event the Contractor is reimbursed or compensated for any loss or destruction of or damage to the Government-furnished property, it shall equitably reimburse the Government. The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any such loss, destruction or damage and, upon the request of the Contracting Officer, shall at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery.

(vii) (Where applicable.) In the event any aircraft are to be furnished under this contract any loss or destruction of, or damage to, such aircraft or other Government-furnished property occurring in connection with operations of said aircraft will be governed by the clause of this contract captioned "Flight Risks," to the extent such clause is, by its terms, applicable.

(i) Upon completion or expiration of this contract, any Government property which has not been consumed in the performance of this contract, or which has not been disposed of as hereinafter provided in subparagraph (i) of this article, or for which the Contractor has not otherwise been relieved of responsibility, shall be disposed of in the same manner, and subject to the same procedures, as is provided in subparagraph (g) of the clause of this contract entitled "Termination for the Convenience of the Government" with respect to termination inventory. The proceeds of any such disposition shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract, or shall otherwise be credited to the price or costs of the work covered by this contract, or shall be paid in such other manner as the Contracting Officer may direct. Pending final disposition of such property, the Contractor agrees to take such action as may be necessary, or as the Contracting Officer may di-

rect, for the protection and preservation thereof.

(j) If the Contractor Officer determines that the interests of the Government require removal of any Government-furnished property, or if the Contractor determines any Government-furnished property to be in excess of its needs under this contract, such Government-furnished property shall be disposed of in the same manner as covered by paragraph (i) above. In the event that the Contracting Officer requires the removal of any Government-furnished property under this subparagagph (j) or subparagraph (i) above, upon written request of the Contractor, an equitable adjustment shall be made in the contract price in accordance with the procedures provided for in the clause of this contract entitled "Changes," to cover the direct cost to the Contractor of such removai and of any property damage occasioned thereby.

5. The following § 412.506 is added.

§ 412.506 *Government property clauses for cost-reimbursement type contracts (nonprofit research and develment contracts).* The following shall be used in cost-reimbursement type research and development contracts with nonprofit organizations (provided such contracts are executed on a nonprofit basis) under which a Department is to furnish Government property to the Contractor, or the Contractor is to acquire property for the account of the Government.

GOVERNMENT PROPERTY

(a) The Government shall deliver to the Contractor the property described in the _____ (insert "task orders," "schedule," or "specifications," as appropriate) at the time or times stated therein, or if not so stated in sufficient time to enable the Contractor to perform this contract. If any of such propery is not delivered to the Contractor by such time or times, the Contracting Officer, upon written request of the Contractor, shall equitably adjust the time of performance of this contract. In no event shall the Government be liable to the Contractor for damages or loss by reason of any delay in or failure to deliver any or all of the items set forth in the _____ (insert "task orders," "schedule," or "specifications," as appropriate).

(b) The Government may deliver to the Contractor property in addition to that set forth in the _____ (insert "task orders," "schedule," or "specifications," as appropriate). At the time of such delivery the contract may be amended if appropriate, to accomplish an equitable adjustment in the terms and provisions thereof.

(c) Title to all property furnished by the Government shall remain in the Government. Title to all property purchased by the Contractor, for the cost of which the Contractor is to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the Government upon delivery of such property by the vendor. Title to other property, the cost of which is to be reimbursed to the Contractor under this contract, shall pass to and vest in the Government upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of processing or use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the Government, whichever first occurs. All the items to be furnished by the Government, as set forth in subparagraphs (a) and (b) above, together with aii property acquired by the Contractor, titie to which vests in the Government under this paragraph, are subject to the provisions of this clause and are hereinafter collectively referred to as "Government Property."

(d) Title to the Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty.

(e) The Government property provided or furnished pursuant to the terms of this contract shall, unless otherwise provided herein and except as may be otherwise approved by the Contracting Officer, be used only for the performance of this contract.

(f) The Contractor shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection and preservation of Government property so as to assure its full availability and usefulness for the performance of this contract. The Contractor shall take all reasonable steps to comply with ali appropriate directions or instructions which the Contracting Officer may prescribe as reasonably necessary for the protection of the Government property.

(g) The provisions of Part III, Appendix C, Armed Services Procurement Regulation, Manual for Control of Government Property in Possession of Non-Profit Research and Development Contracts, as issued under date of June 1952, are herein incorporated by reference. The Contractor agrees to comply with the provisions thereof relating to the keeping of property control records, identification and marking, segregation and commingling, taking of inventories, and control of salvage and scrap, and the Contractor also accepts the responsibilities set forth in said Part III with respect to Government property.

(h) The Contractor agrees to make available to authorized representatives of the Contracting Officer at all reasonable times at the office of the Contractor all of its property records under this contract, and access to any premises where any of the Government property is iocated.

(i) (i) The Contractor shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage, except that the Contractor shall be responsible for any such ioss or damage (including expenses incidental thereto):

(A) Which results from wiiifui misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who has supervision or direction of all or substantially all of the Contractor's business, or all or substantially all of the Contractor's operations at any one plant, iaboratory, or separate location in which this contract is being performed; or

(B) Which results from a failure on the part of the Contractor; due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in subparagraph (A) above, to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection and preservation of Government property as required by subparagraph (f) above, or which results from a failure on the part of the Contractor to take all reasonable steps to comply with any appropriate written directions of the Contracting Officer under subparagraph (f) above; or

(C) For which the Contractor is otherwise responsible under the express terms of clause(s) ____ of this contract, or of the clause or clauses designated in the _____ (insert "task order," "schedules," or "specifications," as appropriate); or

(D) Which results from a risk expressly required to be insured under some other provision of this contract, or of the schedules or task orders thereunder, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actuaily procured and maintained, whichever is greater; or

(E) Which results from a risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement; provided that, if more than one of the above exceptions shall be applicable in any case, the Contractor's liability under any one exception shall not be limited by any other exception.

(ii) The Contractor shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government may have required the Contractor to carry such insurance under any other provision of this contract.

(iii) Upon the happening of loss or destruction of or damage to the Government property, the Contractor shall notify the Contracting Officer thereof, and shall communicate with the Loss and Salvage Organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the Loss and Salvage Organization so designated (unless the Contracting Officer has designated that no such organization be employed), shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Contracting Officer a statement of:

(A) The lost, destroyed and damaged Government property,

(B) The time and origin of the ioss, destruction or damage,

(C) All known interests in commingled property of which the Government property is a part, and

(D) The insurance, if any, covering any part of or interest in such commingied property.

The Contractor shall make repairs and renovations of the damaged Government property or take such other action as the Contracting Officer directs.

(iv) In the event the Contractor is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, it shall use the proceeds to repair, renovate or replace the Government property involved, or shali credit such proceeds against the cost of the work covered by the contract, or shall otherwise reimburse the Government, as directed by the Contracting Officer. The Contractor shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction or damage and, upon the request of the Contracting Officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery.

(i) (Where applicable.) In the event any aircraft are to be furnished under this contract, any loss or destruction of, or damage to, such aircraft or other Government property occurring in connection with operations of said aircraft will be governed by the clause of this contract captioned "Flight Risks," to the extent such clause is, by its terms, appiicable.

(j) The Government property shall remain in the possession of the Contractor for such period of time as is required for the performance of this contract unless the Contracting Officer determines that the interests of the Government require removal of such property. In such case the Contractor shali promptly take such action as the Contracting Officer may direct with respect to the removal and shipping of Government property. In any such instance, the contract may be

amended to accomplish an equitable adjustment in the terms and provisions thereof.

(k) Upon completion or expiration of this contract, any Government property which has not been consumed in the performance of this contract, or which has not been disposed of as hereinafter provided in subparagraph (1) of this clause, or for which the Contractor has not otherwise been relieved of responsibility, shall be disposed of in the same manner, and subject to the same procedures, as is provided in subparagraph (g) of the clause of this contract entitled "Termination for the Convenience of the Government" with respect to termination inventory. The proceeds of any such disposition shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract, or shall otherwise be credited to the cost of the work covered by this contract, or shall be paid in such other manner as the Contracting Officer may direct. Pending final disposition of such property, the Contractor agrees to take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation thereof.

(l) If the Contracting Officer determines that the interests of the Government require removal of any Government property, or if the Contractor determines any Government property to be in excess of its needs under this contract, such Government property shall be disposed of in the same manner as provided by subparagraph (k) above. In the event that the Contracting Officer requires the removal of any Government property under this subparagraph (l) or subparagraph (k) above, the direct cost to the Contractor of such removal and of any property damage occasioned thereby shall constitute an allowable cost hereunder.

(m) Unless otherwise provided herein, the Government shall not be under any duty or obligation to restore or rehabilitate, or to pay the costs of the restoration or rehabilitation of the Contractor's plant or any portion thereof which is affected by the removal of any Government property.

(n) Directions of the Contracting Officer and communications of the Contractor issued pursuant to this clause shall be in writing.

(Sec. 3, 62 Stat. 259; 50 U. S. C. App. Sup. 1198)

J. D. SMALL,
Chairman, Munitions Board.

[F. R. Doc. 52-13114; Filed, Dec. 12, 1952; 8:45 a. m.]

Chapter V—Department of the Army

Subchapter F—Personnel

PART 571—RECRUITING AND ENLISTMENTS

RECRUITING FOR REGULAR ARMY

In § 571.2 (h), subparagraph (19) is revised and subparagraph (22) is added, as follows:

§ 571.2 *Qualifications for enlistment.* * * *

(h) *Classes ineligible for enlistment.* * * *

(19) Selective Service registrants: No waivers will be granted.

(i) Selective Service registrants who have received orders from their Selective Service local boards to report for induction.

(ii) Registrants reclassified into class 1–A–P, unless their classification is changed by their local boards.

* * * * *

(22) Conscientious objectors: Original enlistment of applicants who indicate in any form whatsoever conscientious opposition to the bearing of arms. Included are personnel otherwise eligible for enlistment under § 571.3 (a) (3) of this part. No waivers will be granted.

[C1, SR 615–105–1, Oct. 16, 1952] (R. S. 161; 5 U. S. C. 22)

[SEAL] WM. E. BERGIN,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 52–13148; Filed, Dec. 12, 1952; 8:52 a. m.]

TITLE 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 52—RURAL DELIVERY

PART 127—INTERNATIONAL POSTAL SERVICE: POSTAGE RATES, SERVICE AVAILABLE, AND INSTRUCTIONS FOR MAILING

MISCELLANEOUS AMENDMENTS

1. Section 52.53 *Record of special-delivery matter* is rescinded.

(Sec. 3 (a) (3), 60 Stat. 238; 5 U. S. C. 1002 (a) (3))

2. In § 127.324 *Panama* make the following changes in paragraph (b) (1):

a. Delete the tabulated information immediately following the table of surface parcel rates in subdivision (i).

b. Add a new subdivision (ii) to read as follows:

(ii) Air parcels. Rates: $0.91 for the first 4 ounces; and $0.21 for each additional 4 ounces or fraction.

Weight limit: 44,[1] 70 pounds.
Customs declarations: 1 Form 2966.
Dispatch note: No.
Parcel-post sticker: 1 Form 2922.
Sealing: Compulsory.
Group shipments: No.
Registration: Yes. Fee, 25 cents.
Insurance: No.
C. o. d.: No.
Each air parcel must have affixed the blue Par Avion Label (Form 2978).
(See § 127.55 (b)).

(R. S. 161, 396, 398; secs. 304, 309, 42 Stat. 24, 25; 48 Stat. 943; 5 U. S. C. 22, 369, 372)

[SEAL] J. M. DONALDSON,
Postmaster General.

[F. R. Doc. 52–13115; Filed, Dec. 12, 1952; 8:45 a. m.]

PART 53—SPECIAL DELIVERY

PART 127—INTERNATIONAL POSTAL SERVICE: POSTAGE RATES, SERVICE AVAILABLE, AND INSTRUCTIONS FOR MAILING

MISCELLANEOUS AMENDMENTS

1. In § 53.3 *Rates on special-delivery matter* add new paragraph (d) to read as follows:

(d) *Official penalty or franked matter.* Official matter in penalty or franked envelopes is not entitled to free special delivery, but shall be chargeable for special delivery service, except in the case of urgent official communications of the Post Office Department only.

(R. S. 161, 396; sec. 2, 24 Stat. 221, secs. 304, 309, 42 Stat. 24, 25; 5 U. S. C. 22, 369, 39 U. S. C. 171)

2. In § 127.264 *Germany* (17 F. R. 660; 8294) amend subdivision (iii) of paragraph (b) (4) to read as follows:

(iii) *Soviet Zone (including the Soviet sector of Berlin).* Only gift parcels may be sent. The East German authorities require that each parcel may contain not more than 8¾ ounces of coffee, cocoa or chocolate, and not more than 1¾ ounces of tobacco products. Parcels containing larger amounts of these items may be confiscated by the East German customs authorities.

3. In § 127.268 *Great Britain and Northern Ireland.* (England, Scotland and Wales; also Northern Ireland) (17 F. R. 10411) amend subdivision (i) of paragraph (a) (8) to read as follows:

(i) The permission of the British Treasury is required for the importation of (*a*) paper money which is or has been legal tender in Great Britain and Northern Ireland; (*b*) British treasury notes; (*c*) all securities regardless of issue, whether canceled or not, and documents certifying to their destruction or cancellation, except sterling "Registered Certificates" relating to securities on which the interest or dividends are not payable by coupons.

4. In § 127.304 *Mexico* amend paragraph (a) (12) by deleting the second sentence of subdivision (ii).

(R. S. 161, 396, 398; secs. 304, 309, 42 Stat. 24, 25, 48 Stat. 943; 5 U. S. C. 22, 369, 372)

[SEAL] J. M. DONALDSON,
Postmaster General.

[F. R. Doc. 52–13117; Filed, Dec. 12, 1952; 8:46 a. m.]

PART 155—FORMS OF THE POST OFFICE DEPARTMENT

FORMS USED BY FIRST ASSISTANT POSTMASTER GENERAL

Amend Subpart B of Part 155 by inserting the following sections:

§ 155.704b *Form 22—Aux.; orders to change address.* This form is letter size with space for 32 change of address orders. It is for use where a number of patrons using the same mailing address request a change of address to become effective on approximately the same date. The form was designed for use at fraternity and sorority houses at the end of the school term or school year and will eliminate the handling of individual Forms 22 for each of such changes of address. The carrier will furnish Form 22—Aux. to the house manager or agent for completion of the necessary information relating to the individual changes of address to be reported thereon. This information includes the patrons names listed alphabetically, whether the change is permanent or temporary, effective date, mail for which forwarding postage will be guaranteed, and the new address.

[1] Air parcels are limited to 44 pounds in weight.

§ 155.707 *Form 1525; slip—notice to new patron of zone number and delivery unit.* This form is for use by postmasters at offices of the first and second classes to acquaint new patrons of a city delivery route with their postal delivery zone number, if any, and with the name and location of the delivery unit from which such route is served. This form also serves as a reminder to new patrons that certain action should be taken on their part to notify correspondents, and others, of their new address, and invites inquiries regarding the use of the postal service.

(R. S. 161, 396; secs. 304, 309, 42 Stat. 24, 25; 5 U. S. C. 22, 369)

[SEAL] J. M. DONALDSON,
Postmaster General.

[F. R. Doc. 52–13116; Filed, Dec. 12, 1952; 8:46 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[Ceiling Price Regulation 182]

CPR 182—SOUTH CENTRAL HARDWOOD AND YELLOW CYPRESS LUMBER

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this Ceiling Price Regulation 182 is hereby issued.

STATEMENT OF CONSIDERATIONS

This regulation establishes specific dollars-and-cents ceiling prices at the manufacturing level for Hardwood and Yellow Cypress lumber produced in the South Central Hardwood Region, consisting of the States of Kansas and Missouri and parts of Illinois, Kentucky, and Tennessee. Although Yellow Cypress is a softwood, it is covered by this regulation because it is found in the same timber stands and sawed in the same mills as the hardwoods. The hardwood lumber covered by this regulation is produced from deciduous trees, the most important of which are the Red and White Oaks, Soft Maple, Poplar, Beech, and Ash.

The South Central hardwood lumber industry consists of some 4,400 mills, most of which are small operations producing less than one million board feet per year. A substantial part of the total production is from a relatively few integrated companies which turn out rough and surfaced lumber, and various lumber products. The total output of the hardwood industry in this area, according to the Census of Manufacturers in 1947, was 560 million board feet, which was about 7.5 percent of the total hardwood lumber production in the United States. Approximately one-half of the lumber produced in this South Central Region is consumed by its own wood-using industries, and by construction users within the region.

Ceiling prices are set at the mill level on an f. o. b. mill basis. The regulation also provides for sales on a delivered basis, in which case established air-dried and green weights set forth in this regulation must be applied in computing transportation additions. A table of percentages is given for use in computing the weights of kiln-dried, surfaced, and resawn lumber.

The regulation requires that the lumber covered be graded in accordance with the 1952 "Rules for the Measurement and Inspection of Hardwood Lumber, Cypress, Veneers and Thin Lumber," published by the National Hardwood Lumber Association.

Pending the issuance of an applicable service regulation, lumber sold surfaced, resawn, or kiln-dried may include a charge not to exceed the highest amount added for such services in a sale to a purchaser of the same class made during the period of January 25, 1951, through February 24, 1951.

Lumber sold on specifications for special widths or lengths may include a charge not to exceed the highest amount added for such special sizes in a sale to a purchaser of the same class made during the period of January 25, 1951, through February 24, 1951.

The ceiling price of items covered by the regulation for which dollars-and-cents ceiling prices are not shown is the highest price charged to a purchaser of the same class during the period of January 25, 1951, through February 24, 1951.

In recognition of their historic function in this industry, provision is made for allowing commission men, through whom a sale may be made, an addition to the mill ceiling price.

Provision is made for additions to ceiling prices for retail-type sales, mixed carloads or mixed truckload shipments, bundling, stenciling, and anti-stain treatment. These additions are included in this tailored regulation in order to insure continuation under price stabilization of standard industry practices.

In determining the ceiling prices in this regulation, the Director considered: (1) Price data filed with OPS by lumber manufacturers of this region and adjacent regions; (2) price data compiled by private organizations; (3) the normal price relationships of items within and among species in this region; (4) the normal relationship between prices of hardwood lumber in this region and adjacent regions; and (5) the freight rate advantage enjoyed by mills in this region as compared with other hardwood lumber manufacturing regions. Except where it was found necessary to correct distorted price relationships among items of each species, between species, or distorted price relationships between this region and other hardwood regions, the ceiling prices established by this regulation are approximately at the average of the GCPR ceiling prices filed with OPS by mills located in the South Central Region.

FINDINGS OF THE DIRECTOR OF PRICE STABILIZATION

In the judgment of the Director of Price Stabilization, the ceiling prices established by this regulation are generally fair and equitable and are necessary to effectuate the purposes of Title IV of the Defense Production Act of 1950, as amended.

So far as practicable, the Director of Price Stabilization gave due consideration to the national effort to achieve maximum production in furtherance of the objective of the Defense Production Act of 1950, as amended; to prices prevailing during the period from May 24 to June 24, 1950, inclusive; to prices prevailing from January 25 to February 24, 1951, inclusive; to prices prevailing just before the issuance of this regulation; and to relevant factors of general applicability.

In the formulation of this regulation, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations. This consultation included one meeting with the South Central Hardwood Lumber Industry Advisory Committee, and one meeting with a subcommittee thereof.

Every effort has been made to conform this regulation to business practices existing in the South Central Hardwood Region with respect to the production, sale, and distribution of hardwood and Yellow Cypress lumber produced in that area. Insofar as any provisions of this regulation may operate to compel changes in these business practices, such provisions are found by the Director of Price Stabilization to be necessary to prevent circumvention or evasion of this regulation.

REGULATORY PROVISIONS

ARTICLE I—COVERAGE

Sec.
1.1 What this regulation does.
1.2 Which regulation is superseded.
1.3 Items, species, and area of production covered.
1.4 Sellers and transactions covered.
1.5 Geographical applicability.
1.6 How to determine your ceiling prices.

ARTICLE II—CEILING PRICES

2.1 Graded rough hardwood and Yellow Cypress lumber.
2.2 Special widths and lengths.
2.3 Bending Oak and other listed grades.
2.4 Rough tie siding.
2.5 Construction boards.
2.6 Residue sales.
2.7 Ungraded hardwood and Yellow Cypress lumber.
2.8 Kiln-dried, resawn, and surfaced lumber.
2.9 How to calculate weights for shipping kiln-dried, surfaced, and resawn lumber.
2.10 Ceiling prices for special specifications.

ARTICLE III—COMMISSION-TYPE SALES AND RETAIL-TYPE DIRECT-MILL SALES

3.1 Commission-type sales.
3.2 Retail-type sales.

ARTICLE IV—CEILING PRICE ADDITIONS

4.1 Ceiling price additions.

ARTICLE V—OTHER CEILING PRICE PROVISIONS

5.1 Grade terms and grading.
5.2 Delivered ceiling prices.
5.3 Mixed carload or mixed truckload shipments.

Sec.
5.4 Green lumber.
5.5 Discount for cash.

ARTICLE VI—MISCELLANEOUS PROVISIONS

6.1 Modification of proposed ceiling prices by Director of Price Stabilization.
6.2 Petitions for amendment.
6.3 Adjustable pricing.
6.4 Records.
6.5 Invoices.
6.6 Interpretations.
6.7 Prohibitions and violations.
6.8 Evasions.
6.9 Definitions.

AUTHORITY: Sections 1.1 to 6.9 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101–2110, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.

ARTICLE I—COVERAGE

SECTION 1.1 *What this regulation does.* This regulation establishes manufacturers' dollars-and-cents ceiling prices for most standard grades and items of air-dried and green rough hardwood and Yellow Cypress lumber produced in the South Central Hardwood Lumber Region (as defined in section 1.3 (d)). The regulation also provides ceiling prices for special items.

SEC. 1.2 *Which regulation is superseded.* Except as otherwise provided in section 6.4 (a), the General Ceiling Price Regulation is superseded in respect to all transactions covered by this regulation.

SEC. 1.3 *Items, species, and area of production covered.* (a) This regulation covers all hardwood and Yellow Cypress lumber produced in the South Central Hardwood Lumber Region. It does not cover items fabricated from lumber such as flooring, hand rails, mouldings, step treads and thresholds, and sawn timbers such as cross ties, mine ties, switch ties, mine material, navy oak ship stock, and small dimension stock.

(b) The term "hardwood lumber" refers to all lumber produced from broad-leaved deciduous trees, with the exception of Black Walnut (Juglans nigra), and specifically includes the following species: Ash (Fraxinus sp.), Basswood (Tilia sp.), Beech (Fagus grandifolia), Birch (Betula sp.), Cherry (Prunus serotina), Cottonwood (Populus sp.), Soft Elm (Ulmus americana), Black Gum (Nyssa sylvatica), Sap Gum and Red Gum (Liquidambar styraciflua), Hackberry (Celtis occidentalis), Hickory (Carya sp.), Locust (Gleditsia triacanthos), Hard Maple (Acer saccharum), Soft Maple (Acer rubrum), Red Oak (Quercus sp.), White Oak (Quercus sp.), Pecan (Carya illinoensis), Poplar (Liriodendron tulipifera), Sycamore (Platenus occidentalis), Tupelo (Nyssa aquatica), and Willow (Salix nigra).

(c) "Yellow Cypress lumber" or "Yellow Cypress" includes all species of Baldy Cypress (Taxodium distichum) other than Red Cypress.

(d) The term "South Central Hardwood Lumber Region" refers to an area which includes Kansas and Missouri; the following counties in Kentucky: Allen, Ballard, Butler, Caldwell, Calloway, Carlisle, Christian, Crittenden, Fulton, Graves, Henderson, Hickman, Hopkins, Livingston, Logan, Lyon, McCracken, McLean, Marshall, Muhlenberg, Simpson, Todd, Trigg, Union, Warren, and Webster; the following counties in Tennessee: Bedford, Benton, Carroll, Cheatham, Chester, Crockett, Davidson, Decatur, Dickson, Dyer, Gibson, Giles, Hardin, Henderson, Henry, Hickman, Houston, Humphreys, Lake, Lawrence, Lewis, Lincoln, McNairy, Macon, Madison, Marshall, Maury, Montgomery, Moore, Obion, Perry, Robertson, Rutherford, Steward, Sumner, Trousdale, Wayne, Weakley, Williamson, and Wilson; and the following counties in Illinois: Alexander, Franklin, Hardin, Jackson, Johnson, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Union, and Williamson, and those parts of Clinton, Hamilton, Jefferson, St. Clair, Saline, and Washington counties which lie south or southwest of the tracks of the Louisville and Nashville Railroad.

SEC. 1.4 *Sellers and transactions covered.* (a) This regulation applies to every sale by manufacturers of the lumber covered by this regulation, whether effected directly, or through lumber commission salesmen, and whether the sale is made to a wholesaler, retailer, industrial user, or to any other consumer or reseller. Section 3.1 of this regulation provides an addition to cover the services of a lumber commission salesman. Supplementary Regulation 87 to the General Ceiling Price Regulation establishes a formula for determining wholesalers' and other resellers' markups which may be added to manufacturers' selling prices. The ceiling prices for export sales are covered by Ceiling Price Regulation 61, except as otherwise set forth in section 4.1 (a) (3) of this regulation.

(b) The term "manufacturer" includes sawmills, planing mills, and concentration yards. Sawmills are establishments producing rough lumber from logs by sawing. Planing mills are establishments surfacing lumber by planing. Concentration yards are establishments which receive rough lumber, chiefly in green condition, from several manufacturers; prepare it for commercial shipment by grading, resorting, drying, planing, resawing, or other processing; and sell their lumber chiefly to large industrial users, resellers, or building contractors.

(c) The term "lumber commission salesmen" is defined in section 3.1.

SEC. 1.5. *Geographical applicability.* Every manufacturer's sale for delivery (f. o. b. mill or on a delivered basis) in the forty-eight states of the United States or in the District of Columbia, is subject to this regulation, whether or not the sale of the lumber is made in the United States.

SEC. 1.6. *How to determine your ceiling prices.* (a) This section furnishes a general guide as to how to determine your ceiling prices under this regulation. It also shows how ceiling price provisions of this regulation are related to each other.

(b) The basic ceiling prices established in article II of this regulation are f. o. b. mill ceiling prices. Additions to these ceiling prices may be made under the circumstances shown in the table below:

Additions	Where shown in regulation
Shipments in straight or mixed cars of the better grades	Section 2.1
Special widths and lengths	Section 2.2
Sales through lumber commission salesmen	Section 3.1
Retail-type sales	Section 3.2
Special services required	Article IV
Sales on a delivered basis	Section 5.2
Mixed car shipments	Section 5.3

(c) The ceiling prices for various standard grades and items of lumber subject to this regulation are shown in section 2.1; for Banding Oak and other listed grades, in section 2.3; for tie siding, in section 2.4; for construction boards, in section 2.5; for residue lumber, in section 2,6; for ungraded lumber, in section 2.7; and for lumber that is kiln-dried, resawn, and surfaced, in section 2.8. Note that under certain circumstances described in section 5.5 you must allow a discount for cash.

ARTICLE II—CEILING PRICES

SEC. 2.1 *Graded rough hardwood and Yellow Cypress lumber.* The ceiling prices f. o. b. mill and the established weights for standard grades of rough hardwood and Yellow Cypress lumber in random widths and lengths, produced in the South Central Hardwood Lumber Region, are as follows: (All prices shown are per thousand feet).

(a) *Hardwood lumber—*

(1) *Firm to Tough Ash (Air-dried or green).*

Thickness (inch)	Established air-dried or green weight (pounds per 1,000 feet)	FAS	FAS 1 Face	No. 1 Common	No. 2 Common	No. 3 Common
4/4	4,000	$160	$150	$115	$65	$45
5/4	4,000	170	160	120	66	45
6/4	4,100	175	165	125	70	45
8/4	4,200	190	180	145	75	45
10/4	4,200	200	190	150	80	----
12/4	4,300	220	210	160	85	----
16/4	4,300	230	220	170	90	----

When an order includes no grades lower than FAS 1 Face in a specified thickness of Firm to Tough Ash, you may add not more than $25.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Firm to Tough Ash. This addition applies even though other thicknesses or other specics, in any grade, are also spccified in the same order.

When sold as, and shipped in, straight or mixed cars of No. 1 Common or No. 1 Common and Better, you may add not more than $10.00 per thousand feet to the applicable ceiling prices listed above for Firm to Tough Ash of grades No. 1 Common, FAS 1 Face, and FAS.

(2) *Basswood.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2A Common		No. 2B Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	3,000	4,800	$170	$111	$160	$104	$125	$81	$80	$52	$65	$42	$45	$29
5/4	3,100	5,000	180	117	170	111	130	85	85	55	70	45	45	29
6/4	3,100	5,000	185	120	175	114	135	88	90	59	75	49	45	29
8/4	3,200	5,000	190	123	180	117	140	91	------	------	------	------	------	------

When an order includes no grades lower than FAS 1 Face in a specified thickness of Basswood, you may add not more than $20.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Basswood. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(3) *Beech.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3A Common		No. 3B Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
5/8	2,700	3,800	$120	$78	$110	$72	$95	$62	$60	$39	------	------	------	------
3/4	3,200	4,400	125	81	115	75	95	62	60	39	------	------	------	------
4/4	4,200	5,800	140	91	130	85	105	68	65	42	$60	$39	$45	$29
5/4	4,300	6,000	145	94	135	88	110	72	70	46	63	41	45	29
6/4	4,400	6,100	155	101	145	94	115	75	70	46	65	42	45	29
8/4	4,500	6,300	170	111	160	104	130	85	75	49	65	42	45	29

When an order includes no grades lower than FAS 1 Face in a specified thickness of Beech, you may add not more than $10.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Beech. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(4) *Birch.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	4,100	5,800	$215	$140	$205	$133	$145	$94	$80	$52	$45	$29
5/4	4,200	6,000	220	143	210	137	150	98	85	55	45	29
6/4	4,300	6,100	225	146	215	140	155	101	85	55	45	29
8/4	4,400	6,200	230	150	220	143	160	104	85	55	45	29

When an order includes no grades lower than FAS 1 Face in a specified thickness of Birch, you may add not more than $20.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Birch. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(5) *Cherry.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	4,100	5,200	$220	$143	$210	$137	$150	$98	$90	$59	$45	$29
5/4	4,100	5,200	230	149	220	143	165	107	95	62	45	29
6/4	4,200	5,400	240	156	230	150	170	111	95	62	45	29
8/4	4,300	5,500	250	163	240	156	180	117	100	65	45	29
10/4	4,300	5,500	270	176	260	169	190	124	------	------	------	------
12/4	4,400	5,600	280	182	270	176	200	130	------	------	------	------
16/4	4,400	5,600	290	189	280	182	210	137	------	------	------	------

When an order includes no grades lower than FAS 1 Face in a specified thickness of Cherry, you may add not more than $30.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Cherry. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(6) *Cottonwood.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	3,000	4,900	$113	$73	$103	$67	$88	$57	$72	$47	$43	$28
5/4	3,000	4,900	118	77	108	70	93	60	73	47	43	28
6/4	3,100	5,100	128	83	118	77	98	64	76	49	43	28
8/4	3,100	5,200	133	86	123	80	108	70	78	51	43	28

When an order includes no grades lower than FAS 1 Face in a specified thickness of Cottonwood, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Cottonwood. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

For 4/4" Cottonwood, Panel and Wide No. 1, compute your ceiling prices by adding $75.00 per thousand feet to the applicable ceiling prices listed above for 4/4" Cottonwood of No. 1 Common grade.

For 4/4" Cottonwood Box Boards 9" to 12" wide, compute your ceiling prices by adding $25.00 per thousand feet to the applicable ceiling prices listed above for 4/4" Cottonwood of FAS grade.

For 4/4" Cottonwood Box Boards 13" to 17" wide, compute your ceiling prices by adding $40.00 per thousand feet to the applicable ceiling prices listed above for 4/4" Cottonwood of FAS grade.

(7) *Soft Elm.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
5/8	2,200	3,300	$83	$54	$73	$47	$67	$44	$49	$32	------	------
3/4	2,700	4,100	93	60	83	54	75	49	55	36	------	------
4/4	3,400	5,100	103	67	93	60	83	54	61	40	$37	$24
5/4	3,500	5,300	108	70	98	64	88	57	63	41	37	24
6/4	3,600	5,400	113	73	103	67	90	59	64	42	37	24
8/4	3,800	5,700	118	77	108	70	93	60	66	43	37	24
10/4	3,900	5,900	128	83	118	77	98	64	68	44	------	------
12/4	4,000	6,000	133	86	123	80	103	67	68	44	------	------

When an order includes no grades lower than FAS 1 Face in a specified thickness of Soft Elm, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Soft Elm. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(8) *Plain Black Gum.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	3,400	5,100	$133	$86	$123	$80	$113	$73	$61	$40	$39	$25
5/4	3,500	5,300	143	93	133	86	123	80	63	41	39	25
6/4	3,600	5,400	148	96	138	90	128	83	64	42	39	25
8/4	3,800	5,700	158	103	148	96	138	90	66	43	39	25

When an order includes no grades lower than FAS 1 Face in a specified thickness of Plain Black Gum, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Plain Black Gum. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(9) *Quartered Black Gum.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	3,400	5,100	$143	$93	$133	$86	$128	$83	$68	$44
5/4	3,500	5,300	153	99	143	93	133	86	73	47
6/4	3,600	5,400	158	103	148	96	138	90	73	47
8/4	3,800	5,700	183	119	173	112	158	103	78	51
10/4	3,900	5,900	198	129	188	122	173	112	78	51
12/4	4,000	6,000	213	138	203	132	193	125	78	51

When an order includes no grades lower than FAS 1 Face in a specified thickness of Quartered Black Gum, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Quartered Black Gum. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(10) *Plain Red Gum.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	3,600	5,700	$208	$135	$198	$129	$153	$99	$78	$51
5/4	3,700	5,800	218	142	208	135	163	106	78	51
6/4	3,800	6,000	223	145	213	138	163	106	78	51
8/4	4,000	6,300	253	164	243	158	193	125	83	54

When an order includes no grades lower than FAS 1 Face in a specified thickness of Plain Red Gum, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Plain Red Gum. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(11) *Quartered Red Gum.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	3,600	5,600	$223	$145	$213	$138	$168	$109	$83	$54
5/4	3,700	5,800	233	151	223	145	178	116	88	57
6/4	3,800	6,000	243	158	233	151	193	125	93	60
8/4	4,000	6,300	258	168	248	161	203	132	103	67
10/4	4,100	6,400	263	171	253	164	213	138	108	70
12/4	4,200	6,600	273	177	263	171	223	145	108	70

When an order includes no grades lower than FAS 1 Face in a specified thickness of Quartered Red Gum, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Quartered Red Gum. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(12) *Plain Sap Gum.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
5/8	2,200	3,400	$111	$72	$101	$66	$95	$62	$51	$33	-------	-------
3/4	2,700	4,200	125	81	115	75	106	69	57	37	-------	-------
4/4	3,400	5,300	143	93	133	86	123	80	61	40	$37	$24
5/4	3,500	5,500	153	99	143	93	133	86	63	41	37	24
6/4	3,600	5,600	158	103	148	96	138	90	63	41	37	24
8/4	3,800	5,900	163	106	153	99	143	93	63	41	37	24

When an order includes no grades lower than FAS 1 Face in a specified thickness of Plain Sap Gum, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Plain Sap Gum. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

For 4/4", 5/4", and 6/4" Plain Sap Gum, Panel and Wide No. 1, compute your ceiling prices by adding not more than $75.00 per thousand feet to the applicable ceiling prices listed above for the same thicknesses of Plain Sap Gum of No. 1 Common grade.

For 4/4", 5/4", and 6/4" Plain Sap Gum Box Boards 9" to 12" wide compute your ceiling prices by adding $35.00 per thousand feet to the applicable ceiling prices listed above for the same thicknesses of Plain Sap Gum of FAS grade.

For 4/4", 5/4", and 6/4" Plain Sap Gum Box Boards 13" to 17" wide, compute your ceiling prices by adding not more than $45.00 per thousand feet to the applicable ceiling prices listed above for the same thicknesses of Plain Sap Gum of FAS grade.

(13) *Quartered Sap Gum.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	3,400	5,300	$148	$96	$138	$90	$128	$83	$73	$47
5/4	3,500	5,500	163	106	153	99	143	93	78	51
6/4	3,600	5,600	168	109	158	103	148	96	78	51
8/4	3,800	5,900	188	122	178	116	163	106	78	51
10/4	3,900	6,100	208	135	198	129	183	119	78	51
12/4	4,000	6,200	223	145	213	138	198	129	78	51

When an order includes no grades lower than FAS 1 Face in a specified thickness of Quartered Sap Gum, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Quartered Sap Gum. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(14) *Hackberry.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
5/8	2,500	3,500	$103	$67	$93	$60	$86	$56	$59	$38	-------	-------
4/4	3,500	4,900	113	73	103	67	93	60	68	44	$37	$24
5/4	3,600	5,000	118	77	108	70	98	64	73	47	37	24
6/4	3,700	5,100	128	83	118	77	108	70	78	51	37	24
8/4	3,800	5,300	138	90	128	83	113	73	78	51	37	24
10/4	3,900	5,400	148	96	138	90	123	80	83	54	37	24
12/4	4,000	5,600	158	102	148	96	128	83	83	54	37	24

When an order includes no grades lower than FAS 1 Face in a specified thickness of Hackherry, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Hackherry. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(15) *Hickory.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	4,700	6,200	$123	$80	$113	$73	$98	$64	$53	$34	$37	$24
5/4	4,800	6,400	133	86	123	80	108	70	58	38	37	24
6/4	4,900	6,500	138	90	128	83	113	73	63	41	37	24
8/4	5,100	6,800	158	103	148	96	133	86	68	44	37	24
10/4	5,200	6,900	168	109	158	103	143	93	73	47	-------	-------
12/4	5,300	7,000	183	119	173	112	158	103	78	51	-------	-------

When an order includes no grades lower than FAS 1 Face in a specified thickness of Hickory, you may add not more than $10.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Hickory. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(16) *Locust.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
5/8	2,500	3,200	$83	$54	$73	$47	$67	$44	$49	$32	-------	-------
3/4	3,100	4,000	93	60	83	54	75	49	55	36	-------	-------
4/4	4,100	5,200	103	67	93	60	83	54	61	40	$37	$24
5/4	4,200	5,400	108	70	98	64	88	57	63	41	37	24
6/4	4,300	5,500	113	73	103	67	90	59	64	42	37	24
8/4	4,500	5,800	118	77	108	70	93	60	66	43	37	24

When an order includes no grades lower than FAS 1 Face in a specified thickness of Locust, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Locust. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(17) *Hard Maple.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3A Common		No. 3B Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	4,300	5,900	$202	$131	$192	$125	$132	$86	$80	$52	$70	$46	$42	$27
5/4	4,400	6,000	210	137	200	130	140	91	82	53	72	47	45	29
6/4	4,500	6,200	215	140	205	133	145	94	85	55	72	47	45	29
8/4	4,700	6,400	220	143	210	137	150	98	90	59	74	48	47	31

When an order includes no grades lower than FAS 1 Face in a specified thickness of Hard Maple, you may add not more than $30.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Hard Maple. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

For all No. 1 White Hard Maple, compute your ceiling prices by adding $25.00 per thousand feet to the applicable ceiling prices listed above for Hard Maple in all grades.

For No. 1 and No. 2 White Hard Maple when shipped as mixed and loaded separately, compute your ceiling prices by adding $20.00 per thousand feet to the applicable ceiling prices listed above for Hard Maple in all grades.

For all No. 2 White Hard Maple, compute your ceiling prices by adding $15.00 per thousand feet to the applicable ceiling prices listed above for Hard Maple in all grades.

(18) *Soft Maple—WHAD.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
5/8	2,200	3,600	$107	$70	$97	$63	$91	$59	$56	$36	-------	-------
3/4	2,700	4,400	120	78	110	72	102	66	58	38	-------	-------
4/4	3,400	5,500	133	86	123	80	113	73	70	46	$37	$24
5/4	3,500	5,700	143	93	133	86	118	77	75	49	37	24
6/4	3,600	5,900	148	96	138	90	123	80	80	52	37	24
8/4	3,800	6,200	158	103	148	96	128	83	83	54	37	24
10/4	3,900	6,400	163	106	153	99	133	86	89	58	-------	-------
12/4	4,000	6,500	168	109	158	103	138	90	93	60	-------	-------

When an order includes no grades lower than FAS I Face in a specified thickness of Soft Maple—WHAD, you may add not more than $30.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Soft Maple—WHAD. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(19) *Soft Maple—WHND.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	3,400	5,500	$123	$80	$113	$73	$98	$64	$68	$44	$37	$24
5/4	3,500	5,700	128	83	118	77	103	67	73	47	37	24
6/4	3,600	5,900	133	86	123	80	108	70	78	51	37	24
8/4	3,800	6,200	138	90	128	83	113	73	83	54	37	24
10/4	3,900	6,400	148	96	138	90	123	80	83	54	-------	-------
12/4	4,000	6,500	158	103	148	96	128	83	83	54	-------	-------

When an order includes no grades lower than FAS 1 Face in a specified thickness of Soft Maple—WHND, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Soft Maple—WHND. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(20) *Plain Red Oak.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		Sound Wormy		No. 3A Common		No. 3B Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
5/8	2,600	3,600	$145	$94	$135	$88	$95	$62	$65	$42	$65	$42	$50	$33	$40	$26
3/4	3,200	4,400	160	104	150	98	105	68	70	46	70	46	50	33	40	26
4/4	4,200	5,800	185	120	175	114	120	78	80	52	70	46	70	46	45	29
5/4	4,300	5,900	195	127	185	120	130	85	85	55	75	49	75	49	45	29
6/4	4,400	6,000	205	133	195	127	140	91	90	59	90	59	80	52	45	29
8/4	4,600	6,300	215	140	205	133	150	98	95	62	95	62	90	59	45	29
10/4	4,700	6,400	240	156	230	150	165	107	100	65	100	65	------	------	------	------
12/4	4,800	6,600	250	163	240	156	170	111	100	65	100	65	------	------	------	------
16/4	5,000	6,800	260	169	250	163	175	114	100	65	100	65	------	------	------	------

When an order includes no grades lower than FAS 1 Face ln a specified thlckness of Plain Red Oak, you may add not more than $30.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Plain Red Oak. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

For Plain Red Oak Step Plank, compute your celling prlces hy adding $45.00 per thousand feet to the applicable ceiling prices listed above for Plain Red Oak of FAS grade.

For No. 1 Common Plain Red Oak Stcp Plank, compute your ceiling prices hy adding $35.00 per thousand feet to the applicable ceiling prices listed above for Plain Red Oak of No. 1 Common grade.

For FAS Plain Red Oak Sill Stock, compute your ceiling prices by adding $35.00 per thousand feet to the applicahle ceiling prices listed above for Plain Red Oak of FAS grade.

For No. 1 Common Plain Red Oak Sill Stock, compute your ceiling prices by adding $25.00 per thousand feet to the applicable ceiling prices listed above for Plain Red Oak of No. 1 Common grade.

When mixed Red and White Oak lumber ls shipped, you must apply the Plain Red Oak ceiling prices unless the species are loaded separately in the shipment.

(21) *Quartered Red Oak.*

Thlckness (inch)	Estahlished weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common	
	Alr-dried	Green	Alr-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Grcen
4/4	4,200	5,800	$220	$143	$210	$137	$150	$98	$85	$55
5/4	4,300	5,900	230	150	220	143	155	101	100	65
6/4	4,400	6,000	235	153	225	146	160	104	100	65
8/4	4,600	6,300	250	163	240	156	170	111	100	65

When an order includes no grades lower than FAS 1 Face in a specified thickness of Quartered Red Oak, you may add not more than $30.00 per thousand feet to the applicahle ceiling prices listed ahove for the spccified thickness of Quartered Red Oak. This addition applies even though other thicknesses or other species, in any grade, are also specified ln the same order.

(22) *Rift Sawn Red Oak.*

Thlckness (inch)	Establlshed weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common	
	Air-drled	Green	Air-drled	Green	Alr-drled	Green	Air-dried	Green
4/4	4,200	5,800	$240	$156	$230	$150	$160	$104
5/4	4,300	5,900	250	163	240	156	170	111
6/4	4,400	6,000	260	169	250	163	180	117
8/4	4,600	6,300	280	182	270	176	195	127

When an order lncludes no grades lower than FAS 1 Face in a spccified thickness of Rlft Sawn Red Oak, you may add not more than $30.00 per thousand feet to the applicable ceiling prices llsted ahove for the specified thickness of Rift Sawn Red Oak. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(23) *Plain White Oak.*

Thick-ness (inch)	Estahlished weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Com-mon		No. 2 Com-mon		Sound Wormy		No. 3A Common		No. 3B Common	
	Alr-dried	Green	Alr-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Alr-dried	Green	Air-dried	Grecn	Air-dried	Green
5/8	2,600	3,600	$160	$104	$150	$98	$95	$62	$65	$42	$65	$42	$50	$33	$40	$26
3/4	3,200	4,400	170	111	160	104	105	68	70	46	70	46	50	33	40	26
4/4	4,200	5,800	210	137	200	130	125	81	82	53	82	53	72	47	45	29
5/4	4,300	5,900	225	146	215	140	140	91	85	55	85	55	75	49	45	29
6/4	4,400	6,000	230	150	220	143	145	94	90	59	90	59	75	49	45	29
8/4	4,600	6,300	240	156	230	150	155	101	100	65	100	65	80	52	45	29
10/4	4,700	6,400	250	163	240	156	165	107	100	65	100	65	------	------	------	------
12/4	4,800	6,600	270	176	260	169	180	117	100	65	100	65	------	------	------	------
16/4	5,000	6,800	280	.182	270	176	190	124	100	65	100	65	------	------	------	------

When an order includes no grades lower than FAS 1 Face ln a specified thlckness of Plain Whlte Oak, you may add not more than $30.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Plain White Oak. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order. For FAS Plain White Oak Step Plank, compute your ceiling prlces by adding $55.00 per thousand feet to the applicable ceiling prices listed above for Plain White Oak of FAS grade.

For No. 1 Common Plain White Oak Step Plank, compute your ceiling prices by adding $45.00 per thousand feet to the applicable ceiling prices listed above for Plain White Oak of No. 1 Common grade.

For FAS Plain White Oak Sill Stock, compute your ceiling prices hy adding $35.00 per thousand feet to the applicable ceiling prices listed above for Plain White Oak of FAS grade.

For No. 1 Common Plain White Oak Sill Stock, compute your celling prices by adding $25.00 per thousand feet to the applicable ceiling prices listed above for Plain White Oak of No. 1 Common grade.

(24) *Quartered White Oak.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Alr-dried	Green	Air-dried	Green	Air-dried	Green	Alr-dried	Green
5/8	2,600	3,600	$235	$153	$225	$146	$144	$94	------	------	------	------
3/4	3,200	4,400	260	169	250	162	160	104	------	------	------	------
4/4	4,200	5,800	270	175	260	169	170	110	$85	$55	$70	$46
5/4	4,300	5,900	280	182	270	176	180	117	90	58	80	52
6/4	4,400	6,000	290	188	280	182	190	123	90	58	80	52
8/4	4,600	6,300	300	195	290	188	195	127	90	58	80	52
10/4	4,700	6,400	320	208	310	201	210	136	100	65	------	------
12/4	4,800	6,600	345	224	335	217	225	146	100	65	------	------

When an order includes no grades lower than FAS 1 Face in a specifiecd thickness of Quartered White Oak, you may add not more than $30.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Quartered White Oak. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

For 4/4" 2"–5½" wide clear Quartered White Oak Strips, your ceiling price is $200.00 per thousand feet.

For 4/4" 2"–5½" wide No. 1 Common Quartered White Oak Strips, your ceiling price is $140.00 per thousand feet.

(25) *Rift Sawn White Oak.*

Thlckness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	4,200	5,800	$315	$205	$305	$198	$200	$130
5/4	4,300	5,900	325	211	315	205	210	136
6/4	4,400	6,000	335	218	325	211	220	143
8/4	4,600	6,300	345	224	335	218	230	149

When an order includes no grades lower than FAS 1 Face in a specified thickness of Rift Sawn White Oak, you may add not more than $30.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Rift Sawn White Oak. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

For 4/4" 2"–5½" wide FAS Rift Sawn White Oak Strips, your ceiling price is $210.00 per thousand feet.

For 4/4" 2"–5½" wide No. 1 Common Rift Sawn White Oak Strips, your ceiling price is $150.00 per thousand feet.

(26) *Pecan.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-driod	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	4,700	6,400	$123	$80	$113	$73	$98	$64	$53	$34	$37	$24
5/4	4,800	6,600	133	86	123	80	108	70	58	38	37	24
6/4	4,900	6,700	138	90	128	83	113	73	63	41	37	24
8/4	5,100	7,000	158	103	148	96	133	86	68	44	37	24
10/4	5,200	7,100	168	109	158	103	143	93	73	47	-------	-------
12/4	5,300	7,300	183	119	173	112	158	103	78	51	-------	-------

When an order includes no grades lower than FAS 1 Face in a specified thickness of Pecan, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Pecan. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(27) *Poplar.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		Saps		No. 1 Common		No. 2A Common		No. 2B Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
5/8	2,200	2,900	$140	$91	$130	$85	$120	$78	$105	$68	$70	$46	$50	$33	$35	$23
3/4	2,700	3,600	160	104	150	98	140	91	115	75	75	49	55	36	35	23
4/4	3,400	4,500	200	130	190	124	180	117	140	91	90	59	65	42	40	26
5/4	3,500	4,700	205	133	195	127	185	120	145	94	93	60	67	44	42	27
6/4	3,600	4,800	215	140	205	133	195	127	155	101	96	62	67	44	42	27
8/4	3,800	5,100	230	150	220	143	210	137	165	107	101	66	69	45	42	27
10/4	3,900	5,200	245	159	235	153	225	146	170	111	103	67	69	45	42	27
12/4	4,000	5,300	265	172	255	166	245	159	175	114	105	68	69	45	42	27

When an order includes no grades lower than Saps in a specified thickness of Poplar, you may add not more than $30.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Poplar. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

For all grades and thicknesses of Quartered Poplar, you may add not more than $30.00 per thousand feet to the applicable ceiling prices listed above for plain sawn Poplar.

For Bung Poplar 4/4" FAS, FAS 1 Face, Saps, and No. 1 Common grades, compute your ceiling prices by adding $25.00 per thousand feet to the applicable ceiling prices listed above for 4/4" plain sawn Poplar of grades FAS, FAS 1 Face, Saps, and No. 1 Common, respectively.

(28) *Plain Sycamore.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
5/8	2,200	3,100	$113	$73	$103	$67	$93	$60	$58	$38	$30	$20
3/4	2,700	3,800	115	75	105	68	95	62	60	39	32	21
4/4	3,400	4,800	118	77	108	70	98	64	63	41	37	24
5/4	3,500	4,900	123	80	113	73	100	65	63	41	37	24
6/4	3,600	5,100	128	83	118	77	108	70	63	41	37	24
8/4	3,800	5,400	146	95	136	88	119	77	67	44	37	24

When an order includes no grades lower than FAS 1 Face in a specified thickness of Plain Sycamore, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Plain Sycamore. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(29) *Quartered Sycamore.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
5/8	2,200	3,100	$123	$80	$113	$73	$103	$67	$58	$38
3/4	2,700	3,800	130	85	120	78	113	73	60	39
4/4	3,400	4,800	138	90	128	83	123	80	63	41
5/4	3,500	5,000	143	93	133	86	128	83	63	41
6/4	3,600	5,100	148	96	138	90	133	86	63	41
8/4	3,800	5,400	153	99	143	93	138	90	63	41

When an order includes no grades lower than FAS 1 Face in a specified thickness of Quartered Sycamore, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Quartered Sycamore. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(30) *Plain Tupelo.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
5/8	2,200	3,300	$111	$72	$101	$66	$95	$62	$51	$33	-------	-------
3/4	2,700	4,000	125	81	115	75	106	69	57	37	-------	-------
4/4	3,400	5,100	143	93	133	86	123	80	61	40	$37	$24
5/4	3,500	5,200	153	99	143	93	133	86	63	41	37	24
6/4	3,600	5,400	158	103	148	96	138	90	63	41	37	24
8/4	3,800	5,700	163	106	153	99	143	93	63	41	37	24

When an order includes no grades lower than FAS 1 Face in a specified thickness of Plain Tupelo, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Plain Tupelo. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(31) *Quartered Tupelo.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2A Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	3,400	5,100	$148	$96	$138	$90	$128	$83	$73	$47
5/4	3,500	5,200	163	106	153	99	143	93	78	51
6/4	3,600	5,400	168	109	158	103	148	96	78	51
8/4	3,800	5,700	188	122	178	116	163	106	78	51
10/4	3,900	5,800	208	135	198	129	183	119	78	51
12/4	4,000	6,000	223	145	213	138	198	129	78	51

When an order includes no grades lower than FAS 1 Face in a specified thickness of Quartered Tupelo, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Quartered Tupelo. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(32) *Willow.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		FAS 1 Face		No. 1 Common		No. 2 Common		No. 3 Common	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
3/4	2,400	3,700	$128	$83	$118	$77	$108	$70	$58	$38	$43	$28
4/4	3,000	4,600	143	93	133	86	123	80	66	43	43	28
5/4	3,000	4,600	145	94	135	88	125	81	68	44	43	28
6/4	3,100	4,800	148	96	138	90	128	83	70	46	43	28
8/4	3,200	5,000	153	99	143	93	130	85	73	47	43	28

When an order includes no grades lower than FAS 1 Face in a specified thickness of Willow, you may add not more than $15.00 per thousand feet to the applicable ceiling prices listed above for the specified thickness of Willow. This addition applies even though other thicknesses or other species, in any grade, are also specified in the same order.

(b) *Yellow Cypress lumber*—(1) *Yellow Cypress.*

Thickness (inch)	Established weight (pounds per 1,000 feet)		FAS		Selects		No. 1 Shop		No. 1 Common		No. 2 Common		Box and No. 3 Common		Pecky	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
4/4	3,300	5,700	$198	$129	$178	$116	$108	$70	$108	$70	$83	$54	$58	$38	$71	$46
5/4	3,400	5,800	203	132	183	119	138	90	138	90	88	57	63	41	76	49
6/4	3,400	5,800	208	135	188	122	143	93	143	93	88	57	63	41	76	49
8/4	3,500	6,000	223	145	198	129	148	96	148	96	93	60	68	44	81	53
10/4	3,800	6,500	233	151	203	132	153	99	153	99	103	67	78	51	91	59
12/4	3,800	6,500	238	155	208	135	158	103	158	103	108	70	83	54	96	62
16/4	3,800	6,500	253	164	213	138	163	106	163	106	113	73	------	------	------	------

SEC. 2.2 *Special widths and lengths.* Your ceiling price f. o. b. mill, when not specifically stated elsewhere in this regulation, for lumber covered by this regulation of special width and/or length, is determined as follows:

(a) Take the f. o. b. mill ceiling price of the standard item of the same species, grade and thickness for which a dollars-and-cents ceiling price is set forth in this regulation, and add thereto the highest amount or amounts which you added for such special width and/or length to the price of the same standard item in your f. o. b. sales or contracts to sell to a purchaser of the same class during the period January 25, 1951, through February 24, 1951.

(b) If you did not sell or contract to sell lumber of the same species, grade, and thickness with the special width and/or length during the period January 25, 1951, through February 24, 1951, take the f. o. b. mill ceiling price of the standard item of the same species, grade, and thickness for which a dollars-and-cents ceiling price is set forth in this regulation, and add thereto the highest amount or amounts which you added for such special width and/or length to the price of the most nearly comparable standard item in your f. o. b. sales or contracts to sell to a purchaser of the same class during the period January 25, 1951, through February 24, 1951.

SEC. 2.3 *Bending Oak and other listed grades.* Your ceiling price f. o. b. mill for any item of lumber covered by this regulation within any of the grades or combinations of grades listed below, when not specifically stated elsewhere in this regulation, is the highest f. o. b. mill price at which you sold or contracted to sell such item to a purchaser of the same class during the period January 25, 1951, through February 24, 1951:

Bending Oak.
Bridge Plank and Crossing Plank.
Common Dimension.
Freight Car Stock.
Milpak.
Mine Car Lumber.
Select Car Stock.
Select Dimension.
Sound Square Edge.
Timbers.

SEC. 2.4 *Rough tie siding.* Ceiling prices f. o. b. mill for rough tie siding sold on grade are $5.00 per thousand feet lower than the ceiling prices for the same grade and species of standard lumber in regular widths and lengths as shown in the tables in section 2.1.

SEC. 2.5 *Construction boards.* The ceiling prices f. o. b. mill for construction boards, random lengths, rough, in the grades and sizes shown, are as follows:

Grade	1" x 4"		1" x 6"		1" x 8"		1" x 10"		1" x 12"	
	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green	Air-dried	Green
No. 1	$65	$39	$75	$45	$80	$48	$80	$48	$85	$51
No. 2	55	33	65	39	70	42	70	42	75	45
No. 3	50	30	55	33	60	36	60	36	65	39

SEC. 2.6 *Residue sales.* The ceiling price for residue ungraded lumber is $30.00 per thousand feet f. o. b. mill. The term "residue ungraded lumber" is the below-grade lumber commonly called "culls" or "scoots."

SEC. 2.7 *Ungraded hardwood and Yellow Cypress lumber.* When lumber covered by this regulation is not separately graded or is sold ungraded as Log Run, Mill Run, No. 1 Common and Better, or any other combination of grades, the ceiling price for the entire shipment shall be the ceiling price for the lowest priced species and grade included in the shipment. If any of the lumber so sold is shipped green, the ceiling price of all lumber in the shipment shall be the ceiling price for green lumber of the lowest priced species and grade included in the shipment.

SEC. 2.8 *Kiln-dried, resawn, and surfaced lumber.* If you sell lumber subject to this regulation which is kiln-dried, resawn, and/or surfaced in accordance with the purchaser's specification, compute your f. o. b. mill ceiling prices for such lumber by taking the applicable f. o. b. mill ceiling prices for air-dried rough lumber set forth in this regulation, and adding thereto the highest amount or amounts which you added for such kiln-drying, resawing, and/or surfacing in your f. o. b. mill sales or contracts to sell to a purchaser of the same class during the period January 25, 1951, through February 24, 1951. The provisions of this paragraph are to apply until such time as specific additions for kiln-drying, resawing, and/or surfacing are made uniformly applicable to manufacturers covered by this regulation.

SEC. 2.9 *How to calculate weights for shipping kiln-dried, surfaced, and resawn lumber.* This section provides a procedure for determining the weights of kiln-dried, surfaced, and resawn lumber. These weights are authorized for use in determining transportation charges in the calculation of ceiling delivered prices as provided in section 5.2.

(a) *Kiln-dried lumber.* The established shipping weight for kiln-dried lumber is 10 percent less than the applicable air-dried weight shown in the tables of section 2.1, rounded to the nearest 50 pounds. For example, the kiln-dried shipping weight for rough 4/4" Plain Red Oak is 3,800 pounds. (4,200 less 10 percent (420) = 3,780, which is rounded to 3,800.)

(b) To determine shipping weight for surfaced lumber, consult the table in this paragraph. Find the percentage shown for the nominal thickness under the appropriate heading describing the surfacing done, and apply this percentage to the rough weight of the item as shown in section 2.1, or as determined under this section.

Example 1. To calculate the weight for random width 4/4" Plain Red Oak lumber surfaced two sides to 13/16": In price Table (20), the air-dried weight of the rough lumber is shown as 4,200 pounds. In the table given below, Column (1) shows the 4/4" nominal thickness; Column (2), the 13/16" finished thickness, and from Column (3), applicable to "surfaced two sides", the percentage figure of 78 is obtained. The sur-

faced weight is therefore 78 percent of 4,200, or 3,276 pounds, which is then rounded to 3,300 pounds.

Example 2. To calculate the weight of 4/4" Plain Red Oak lumber 8" stock width surfaced four sides to 13/16" x 7½": The procedure is the same as in Example 1, except that instead of using the 78 percent shown in Column (3), you use the 73 percent figure shown in Column (7) for 8" lumber surfaced four sides to 7½" wide. (Columns 4 through 9 are applicable to both finished thicknesses and finished widths.) The surfaced weight is 73 percent of 4,200, or 3,066 pounds, which is rounded to 3,050 pounds.

PERCENTAGES FOR DETERMINING SHIPPING WEIGHTS OF SURFACED LUMBER

Surfaced 1 or 2 sides (thickness)			Surfaced 4 sides (widths)					
			Percentage of rough weight for lumber surfaced 4 sides to specified widths shown and to thicknesses shown in column 2					
Nominal rough (inches)	Finished thickness (inches)	Percent of rough lumber weight	2" to 1⅝"	4" to 3⅝"	6" to 5⅝"	8" to 7½"	10" to 9½"	12" to 11½".
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
3/8	3/16	44	36	40	42	42	42	43
1/2	5/16	57	46	52	54	54	54	55
5/8	7/16	65	53	59	61	61	62	62
3/4	9/16	71	57	64	66	66	67	68
4/4	13/16	90	73	81	84	84	85	86
	7/8	84	68	76	78	78	79	80
	13/16	78	63	70	73	73	74	74
	25/32	75	61	68	70	70	71	72
	¾	72	58	65	67	67	68	69
5/4	1 3/16	92	74	83	86	86	87	88
	1⅛	87	70	79	81	81	82	83
	1 1/16	82	67	74	77	77	78	79
6/4	1 7/16	93	76	84	87	87	88	89
	1⅜	89	72	80	83	83	84	85
	1 5/16	85	69	77	80	80	80	81
8/4	1 7/8	92	74	83	86	86	87	88
	1¾	86	69	77	80	80	81	82
	1 5/8	79	65	72	74	74	75	76
10/4	2¼	88	72	80	83	83	84	85
	2⅛	83	68	76	78	78	79	80
12/4	2¾	90	73	82	85	85	86	87
	2 5/8	86	70	78	81	81	82	83
16/4	3¾	93	75	84	87	87	88	90
	3 5/8	90	73	81	84	84	85	86

(c) *Resawn lumber.* The weight for rough lumber resawn is the weight of the rough lumber as shown in the tables of section 2.1, less 5 percent for each saw kerf. The weight for lumber surfaced and then resawn is the weight of the surfaced lumber (as calculated in accordance with paragraph (b) of this section), less 5 percent of the rough lumber weight for each saw kerf.

SEC. 2.10 *Ceiling prices for special specifications.*—(a) *Application.* If you cannot ascertain your ceiling price for lumber covered by this regulation under any other provision of this regulation, as, for example, should you wish to sell lumber of a hardwood species for which ceiling prices are not set forth, or lumber with special workings, grades, sizes, services, or other extras not specifically mentioned in this regulation, you must apply by registered mail, return receipt requested, to the Office of Price Stabilization, Forest Products Division, Washington 25, D. C., for the establishment of a ceiling price. You may file on OPS Public Form No. 132, which is obtainable from any Regional or District Office of the Office of Price Stabilization. Your application must set forth the following:

(1) As complete a description as possible of the item which is the subject of your application.

(2) A statement explaining why you are unable to determine your ceiling price under other provisions of this regulation.

(3) Your proposed ceiling price, which you must determine upon the first of the following bases that you are able to use:

(i) The ceiling price for the most closely comparable item for which a dollars-and-cents ceiling price is established by this regulation, adjusted by the addition or subtraction of the differential between the highest price at which the item that is the subject of your application was sold to a purchaser of the same class on the date nearest to the effective date of this regulation and the highest price at which the most closely comparable item was sold to a purchaser of the same class on the date nearest thereto.

(ii) The price at which you sold to a purchaser of the same class the item that is the subject of your application in your last sale before the effective date of this regulation.

(iii) The ceiling price of your most closely competitive seller to a purchaser of the same class for the item that is the subject of your application. ("Your most closely competitive seller" is the seller of lumber subject to this regulation, selling the item which is the subject of your application, with whom you are in most direct competition on sales of most items.)

(iv) A price which you believe is in line with the level of ceiling prices established by this regulation. You must state why you believe your proposed ceiling price is in line with the level of ceiling prices established by this regulation.

In determining your proposed ceiling prices, you must first use the basis indicated in subdivision (i); if you cannot use subdivision (i), then use subdivision (ii); if you cannot use subdivision (ii), then use subdivision (iii); or if you cannot use subdivision (iii), then use subdivision (iv).

If you use subdivision (ii), (iii), or (iv), you must state in your application why you could not use the basis provided in each of the preceding subdivisions. You must also state how your proposed ceiling price conforms to the basis employed and furnish supporting details.

(b) *Quotation of proposed ceiling prices.* You may quote a proposed ceiling price determined under the provisions of paragraph (a) of this section, and you may sell at that proposed ceiling price, provided that you file an application for approval of that ceiling price within five days after selling at that proposed ceiling price, and provided further that you agree to refund, and later refund, to the buyer, the amount, if any, by which your proposed ceiling price exceeds the ceiling price established by the Director of Price Stabilization.

(c) *Action by the Director of Price Stabilization.* (1) After receipt of an application made under this section, the Director of Price Stabilization will approve or disapprove your proposed ceiling price, will request additional information about it, or will establish a different ceiling price for the item that is the subject of your application.

(2) If the Director does not notify you to the contrary or request additional information from you within 30 days after the receipt of your application, or within 15 days after the receipt of requested additional information, your proposed ceiling price shall be deemed to have been approved, subject to nonretroactive disapproval or modification at a later date.

(3) No application will be approved under this section unless it is found that the proposed ceiling price is in line with the level of ceiling prices otherwise established by this regulation.

(d) *Effect on other transactions.* A special ceiling price approved pursuant to application made under this section shall be your ceiling price for all future sales of the same item unless a specific ceiling price for the item shall subsequently be established by changes in this regulation, or unless the approval is subsequently revoked or modified by the Director of Price Stabilization.

ARTICLE III—COMMISSION-TYPE SALES AND RETAIL-TYPE DIRECT-MILL SALES

SEC. 3.1 *Commission-type sales.*—(a) *Addition allowed.* When a sale of your lumber is brought about by the efforts of a lumber commission salesman, your ceiling price is the otherwise applicable ceiling price on the lumber sold plus 4 percent of the f. o. b. mill ceiling price. However, the amount which you may charge to the buyer, pursuant to this section, over and above the otherwise applicable ceiling price, may not exceed the actual commission which you pay to the lumber commission salesman.

(b) *Lumber commission salesman.* The term "lumber commission salesman" means a person who customarily sells lumber in carload quantities for two or more manufacturers, who does not take title to the lumber, assumes no credit risk, receives his compensation

from the manufacturer in the form of commissions based on the amount of lumber sold, and operates independently of both buyers and sellers.

SEC. 3.2 *Retail-type sales*—(a) *Increased f. o. b. mill ceiling prices.* Except as indicated in paragraphs (b) and (c) of this section, your f. o. b. mill ceiling prices in retail-type sales for all lumber covered by this regulation are 15 percent higher than the f. o. b. mill ceiling prices established by this regulation. The increase applies whether the lumber is green, air-dried, or kiln-dried; whether rough or surfaced; and whether or not it is resawn or otherwise worked.

(b) *Exceptions to the application of the increase.* You may not apply the increase authorized by paragraph (a) of this section:

(1) To your ceiling prices determined under the provisions of sections 2.3 and 2.10; or

(2) To your ceiling additions for special widths and/or lengths or to your ceiling additions for kiln-drying, surfacing, and/or resawing allowable under the provisions of sections 2.2 and 2.8, respectively, when the additions involved are derived from a retail-type sale.

(c) *Charges which you must exclude.* A ceiling price determined under paragraph (a) may not be increased by any charges for commissions paid to a lumber commission salesman as authorized in section 3.1, or by any charges for special services as authorized in section 4.1.

(d) *Delivery charges.* You may add an appropriate delivery charge, computed in the manner authorized in section 5.2, provided that you deliver the lumber by truck.

(e) *Definition.* As used in this section, a retail-type sale is a direct mill sale of not more than 10,000 feet to a purchaser who takes delivery at the mill, or who accepts delivery made by truck at a point not more than 50 miles from the mill. It must be a sale of lumber to a contractor or to a consumer for use in construction, remodelling, repair, or maintenance; it is not a sale for use in manufacturing or for resale in substantially the same form.

ARTICLE IV—CEILING PRICE ADDITIONS

SEC. 4.1 *Ceiling price additions* (a) You may add not more than the amounts indicated below to the ceiling prices as set forth in this regulation for the following special services:

(1) Anti-stain treatment: $1.00 per thousand feet.

(2) Stenciling or grade-marking on the face of each piece in a manner which will permit identification and segregation: $1.00 per thousnd feet. (This addition cannot be made for stenciling a trademark.)

(3) Bundling for export: $3.00 per thousand feet.

(4) Packaging in sling loads or otherwise whereby the load is divided into individual parcels to facilitate mechanical unloading and reloading: $3.00 per thousand feet (covering all materials and labor).

NOTE: If lumber is both bundled for export and packaged in sling loads or otherwise, only one charge of $3.00 per thousand feet may be made.

(5) Marking on each piece the surface measure and/or the width and length sizes: $1.00 per thousand feet.

(6) Inspection and issuance of an inspection certificate by the National Hardwood Lumber Association: an amount which does not exceed the inspection fees and expenses charged to the seller by the Association.

(7) Staking, wiring, and separating lumber in open top cars: $25.00 per car (covering all materials and labor).

(8) Erecting on open top cars bulkheads made in conformity with the specifications of the Mechanical Division of the Association of American Railroads: $10.00 per bulkhead (covering all materials and labor).

(b) Except for anti-stain treatment, the additions provided in paragraph (a) of this section may be made only when the special services are specifically requested by the buyer.

ARTICLE V—OTHER CEILING PRICE PROVISIONS

SEC. 5.1 *Grade terms and grading*—(a) *Terms.* All grade terms used in this regulation have the meanings set forth in the "Rules for the Measurement and Inspection of Hardwood Lumber, Cypress, Veneers and Thin Lumber," effective January 1, 1952, published by the National Hardwood Lumber Association.

(b) *Grading.* Lumber bought and sold under this regulation must be graded in accordance with the "Rules for the Measurement and Inspection of Hardwood Lumber, Cypress, Veneers and Thin Lumber," effective January 1, 1952, published by the National Hardwood Lumber Association.

SEC. 5.2 *Delivered ceiling prices.* You are permitted to sell lumber covered by this regulation on a delivered price basis. The delivered ceiling prices are the ceiling prices f. o. b. mill plus an addition for delivery to the purchaser computed as follows (the transportation addition must be rounded to the nearest half dollar):

(a) *Common or contract carrier.* (1) When shipment is made by common or contract carrier, the transportation addition is computed by multiplying the appropriate established weight by the applicable freight rate in effect at time of shipment.

(2) The term "appropriate established weight" means: the applicable weight as shown in the schedules in section 2.1; or, where no applicable weight is shown in the schedules, the applicable weight as set forth in the Rules for the Measurement and Inspection of Hardwood Lumber, Cypress, Veneers, and Thin Lumber," effective January 1, 1952, published by the National Hardwood Lumber Association; or, where an applicable weight is not shown in the tables in section 2.1 or is not set forth in such "Rules", the applicable weight as authorized by the Office of Price Stabilization, Forest Products Division, Washington 25, D. C., pursuant to application by letter. Your letter must set forth a description including thickness and species of the item which is the subject of your application.

(b) *Private trucking.* When shipment is by truck owned or controlled by the seller, you may add $2.00 per thousand feet; or an addition computed in the manner set forth in paragraph (a) of this section, using applicable carload rates, or an amount equal to the applicable common carrier motor freight charges.

(c) *Trucking to railhead.* You may not charge any additional amount for a truck haul preceding rail shipment.

(d) *Truck delivery after rail haul.* For truck delivery following a rail haul, you may add as much as the actual costs per thousand feet incurred.

SEC. 5.3 *Mixed carload or mixed truckload shipments.* (a) In a sale of a mixed carload or mixed truckload shipment to one or more purchasers in which each item is loaded separately in the quantity specified in the order or orders, the following addition per thousand feet applicable to the specified quantity may be made to the f. o. b. mill ceiling prices of each item in the shipment:

Quantity of each item ordered:	*Additions per 1,000 feet for that quantity*
4,000 to 5,000 feet	$2.00
3,000 to 3,999 feet	3.00
2,000 to 2,999 feet	4.00
1,000 to 1,999 feet	5.00
999 feet and less	6.00

(b) As used in this section, the term "mixed carload or mixed truckload shipment" refers to a carload or truckload shipment containing two or more items.

SEC. 5.4 *Green lumber.* (a) Ceiling prices for green lumber are established separately in the tables. In every case, except for Ash, in which lumber is sold which weighs more than 15 percent above the applicable air-dried weights shown in this regulation, it must be sold at not more than the ceiling prices applicable to green lumber.

(b) (1) You may obtain authorization from the Director of Price Stabilization, at his discretion, to apply not more than the ceiling prices for dry lumber to a particular sale of green lumber when the purchaser certifies that the nature of his operations requires the lumber involved in the particular sale to be in green condition. The certification must set forth the reason why the purchaser requires the lumber to be green. Application for such authorization must be by letter sent to the Office of Price Stabilization, Forest Products Division, Washington 25, D. C., and should contain a statement as to the kind of lumber required, and also a copy of the purchaser's certification covering the lumber involved in the sale.

(2) Approval must be obtained from the Director of Price Stabilization before you may sell, under the provisions of this paragraph, green lumber at prices higher than the ceiling prices otherwise provided in this regulation.

(c) (1) When a buyer requires special items of No. 1 Common or No. 1 Common and Better of a species and thickness not ordinarily cut and stocked by mills, and the buyer is unable to buy dry lumber, he may apply by letter to the Office of Price Stabilization, Forest Products Divi-

sion, Washington 25, D. C., for authorization of special ceiling prices for such special items lumber.

(2) An application should be submitted for every order placed under the provisions of this section, and should state the proposed seller's name and address, a description (including species, grade and thickness) of the item or items required, and the reason for the necessity of accepting green lumber. Approval, if granted, will be rendered both to the buyer and the named seller. The approval will allow sale of such special items, cut on special order, and shipped in green or partially dry condition, at not more than 90 percent of the ceiling price for air-dried lumber of the same grade and thickness in the species of Basswood, Poplar, Hackberry, and Soft Maple, and at not more than 87½ percent of the ceiling price for air-dried lumber of the same grade and thickness in all other species.

(3) Approval must be obtained from the Director of Price Stabilization before orders are placed or sales are made under this paragraph.

SEC. 5.5 *Discount for cash.* If the buyer pays cash, your ceiling prices determined under other provisions of this regulation are reduced by the amount of the discount which, during the period from January 25, 1951, through February 24, 1951, you allowed a purchaser of the same class for the payment of cash within the same period of time. If you were not in business between January 25, 1951, and February 24, 1951, your ceiling prices determined under other provisions of this regulation are reduced by 2 percent for cash payment within 10 days from date of invoice or date of bill of lading, whichever is later.

ARTICLE VI—MISCELLANEOUS PROVISIONS

SEC. 6.1 *Modification of proposed ceiling prices by Director of Price Stabilization.* The Director of Price Stabilization may at any time disapprove or reduce ceiling prices determined under this regulation so as to bring them into line with the level of ceiling prices otherwise established by this regulation.

SEC. 6.2 *Petitions for amendment.* If you wish to have this regulation amended, you may file a petition for amendment in accordance with the provisions of Price Procedural Regulation 1, Revision 2.

SEC. 6.3 *Adjustable pricing.* Nothing in this regulation prohibits you from making a contract or offer to sell at (a) the ceiling price in effect at the time of delivery, or (b) the lower of a fixed price or the ceiling price in effect at the time of delivery. You may not, however, deliver or agree to deliver at a price to be adjusted upward in accordance with any increase in ceiling prices after delivery.

SEC. 6.4 *Records*—(a) *Existing records.* On and after the effective date of this regulation, for so long as the Defense Production Act of 1950, as amended, shall remain in effect and for two years thereafter, you shall preserve all your existing records relating to the prices which you received or charged for the items, and for the basic, comparison, or standard items and differentials, referred to in sections 2.2, 2.3, 2.8, and 2.10, which you sold or contracted to sell during the period January 25, 1951, through February 24, 1951; and you shall continue to preserve, for the applicable periods specified in section 16 of the General Ceiling Price Regulation, all other existing records that you were required to keep under the provisions of section 16 of the General Ceiling Price Regulation.

(b) *Current records.* Every person who sells and every person who in the regular course of trade or business buys lumber covered by this regulation, totaling $500 or more in any one month, shall make and keep for inspection by the Director of Price Stabilization for a period of two years, accurate records of each sale or purchase made in such month. The records must show the following:

(1) Date of purchase or sale;

(2) Name and address of buyer and seller;

(3) The price or prices of the covered items, including discounts paid or received, and all other direct or indirect considerations given or received, and rebates made or taken;

(4) A description of the item of lumber sold, showing the species, grade, sizes, condition (green, air-dried, or kiln-dried), workings, specifications or other extras, which affect the ceiling price, together with the quantity thereof;

(5) Origin of shipment; and when sold on a delivered basis, destination of shipment;

(6) Means of transportation used.

The retention by a purchaser of an invoice furnished by a seller, or the retention by a seller of a settlement sheet furnished by a buyer, which includes the factual information required to be made a matter of record by this section, shall be considered as compliance with the provisions of this section by the purchaser or seller retaining such invoice or settlement sheet.

(c) *Other records.* If you apply for approval of a proposed ceiling price for special specifications under section 2.10 of this regulation, you shall preserve or make and you shall keep for inspection by the Director of Price Stabilization for so long as the Defense Production Act of 1950, as amended, shall remain in effect and for two years thereafter, accurate records from which you obtained the data you submit in connection with your application for such ceiling price.

SEC. 6.5 *Invoices.* (a) On all sales of lumber covered by this regulation, except those for which you receive a settlement sheet from the buyer, you must submit an invoice to the buyer which includes a description (species, grades, and sizes) and the quantity of each item of lumber involved. Any working, condition (green, air-dried or kiln-dried), specification, extra, or service for which a charge is made, or which otherwise has a bearing upon the ceiling price, must be separately set forth in the invoice, but the invoice need not show separately the charges for such items.

(b) For sales made on an f. o. b. basis, in addition to the information required by paragraph (a) of this section, your invoice must show the f. o. b. price.

(c) For sales made on a delivered basis, in addition to the information required by paragraph (a), your invoice must show:

(1) The delivered price;

(2) The destination of the shipment; and

(3) The applicable rail, truck, or water freight rate; or the transportation charged.

SEC. 6.6 *Interpretations.* If you want an official interpretation of this regulation, you should write to the District Counsel of your local OPS District Office. Any action taken by you in reliance upon, and in conformity with a written official interpretation will constitute action in good faith pursuant to this regulation. Further information on obtaining official interpretations is contained in Price Procedural Regulation 1, Revision 2.

SEC. 6.7 *Prohibitions and violations.* (a) You shall not do any act prohibited or omit to do any act required by this regulation, nor shall you offer, solicit, attempt, or agree to do or omit to do any such acts. Specifically, but not in limitation of the above, you shall not, regardless of any contract or other obligation, sell and no person in the regular course of trade or business shall buy from you at a price higher than the ceiling prices established by this regulation, and you and buyers from you shall keep, make, and preserve true and accurate records and reports required by this regulation. Prices lower than the ceiling prices may be charged, paid, or offered.

(b) If you violate any provisions of this regulation, you are subject to criminal penalties, enforcement actions, and actions for damages.

(c) If any person subject to this regulation fails to prepare or keep any record or file any report required by this regulation in connection with the establishment of his ceiling price, or if any person subject to this regulation fails to establish a ceiling price or apply to the Office of Price Stabilization for the establishment of a ceiling price, if he is required to do so, the Director of Price Stabilization may issue an order fixing his ceiling prices. Any ceiling price fixed in this manner will be in line with ceiling prices generally established by this regulation. The order fixing the ceiling price may apply to all deliveries or transfers completed prior to the date of issuance of the order. The issuance of such an order will not relieve the seller of his obligation to comply with the requirements of this regulation or of the various penalties for failure to do so.

SEC. 6.8 *Evasions.* Any means or devices which result in obtaining directly or indirectly a higher price than is permitted by this regulation, or in concealing or falsely representing information in records which this regulation requires to be kept, is a violation of this regulation. This prohibition includes, but is not limited to, means or devices making use of commissions, services, cross sales, transportation arrangements, premiums, discounts, special privileges, up-grading,

tie-in agreements, and trade understandings, as well as the omission from records of true data and the inclusion in records of false data.

SEC. 6.9 *Definitions.* As used in this regulation, the terms in this section have the following meanings:

Appropriate established weight. This term is defined in section 5.2 (a).

Director of Price Stabilization. This term extends to any official (including officials of regional or district offices) to whom the Director of Price Stabilization, by order, delegates a function, power, or authority referred to in this regulation.

Feet. This term means board feet for all lumber 4/4" and thicker, and means surface feet for all lumber thinner than 4/4".

F. o. b. mill. This term means loaded on cars at mill railhead or siding; loaded on scow or barge alongside a mill dock; or, where the only means of conveyance used is a truck, other motor vehicle, or wagon, loaded on such vehicles at the mill site.

Kiln-dried lumber. This term refers to green or air-dried lumber that is dried in a kiln to a specified moisture content.

Lumber commission salesman. This term is defined in section 3.1.

Manufacturer, sawmill, planing mill, and concentration yard. These terms are defined in section 1.4 (b). Note particularly that the term "mill" as used throughout the regulation includes sawmills, planing mills, and concentration yards.

Most closely competitive seller. This term is defined in section 2.10 (a) (3) (iii).

Person. This term includes any individual, partnership, corporation, association, or any organized group of persons; their legal successors or representatives; and the United States or any other government or their political subdivisions or agencies.

Purchaser of the same class. The meaning of this term is determined by reference to your own practice of setting different prices for sales to different purchasers or groups of purchasers. The practice may, but need not, be based on the characteristics or distributive level of the buyer; for instance, manufacturer, wholesaler, individual retail store, retail chain, mail order house, government agency, or public institution. It may, but need not, be based on the location of the purchaser or the quantity or kinds of lumber purchased by him. It may, but need not, be based on differing terms or conditions of sale or delivery. If you have followed the practice of giving an individual customer a price differing from that charged others, that customer is a separate class of purchaser.

Records. This term includes books of account, sales lists, sales slips, orders, vouchers, contracts, receipts, invoices, bills of lading, settlement sheets, and other papers and documents.

Residue and ungraded lumber. These terms are defined in sections 2.6 and 2.7 respectively.

Retail-type sale. This term is defined in section 3.2.

Sell. This term includes sell, supply, dispose, barter, trade, exchange, lease, transfer, deliver, and contracts and offers to do any of the foregoing. The terms "buy" and "purchase" shall be construed accordingly.

South Central hardwood and Yellow Cypress lumber. These terms are defined in section 1.3 (b) and (c).

South Central Hardwood Lumber Region. This term is defined in section 1.3 (d).

Special grading terms. The special grading terms used in this regulation are enumerated and defined in section 5.1.

Surfaced lumber. "Surfaced lumber," also known as "worked" or "dressed" lumber, is lumber planed to a smooth finish, generally surfaced to a specified thickness. The process of producing surfaced lumber is known as "surfacing," "dressing," or "planing."

You. The pronoun "you" indicates any manufacturer who sells lumber subject to this regulation. The term "your" should be construed accordingly.

Effective date. This regulation is effective December 16, 1952.

NOTE: The reporting and record-keeping rquirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

JOSEPH H. FREEHILL,
Acting Director of Price Stabilization.

DECEMBER 11, 1952.

[F. R. Doc. 52-13206; Filed, Dec. 11, 1952; 4:08 p. m.]

[General Overriding Regulation 32, Special Order 11]

GOR 32—ADJUSTMENT OF CEILING PRICES FOR MATERIALS TO THE MINIMUM PRICES FIXED BY STATE LAWS

SO 11—CIGARETTES SOLD "OUT OF STOCK" BY WHOLESALE TOBACCO DISTRIBUTORS IN MONTANA

CEILING PRICES RAISED TO CONFORM WITH THE MONTANA UNFAIR PRACTICES ACT

Statement of considerations. This special order raises the ceiling prices of Montana wholesale tobacco distributors for "out of stock" cigarette sales where necessary to conform with the level of minimum prices required to be charged by the Montana Unfair Practices Act and Report and Order No. 1, Docket No. 2-49, of the Montana Trade Commission issued pursuant to that act. The term "out of stock" sales as here used means that type of sale which is described in Report and Order No. 1, Docket No. 2-49, of the Montana Trade Commission as any transaction in which the merchandise or any part of it passes through the hands of the distributors regardless of what such transactions are called in the trade. This special order does not affect the ceiling prices for other types of sales of cigarettes subject to the Montana Act nor does it presently affect the ceiling prices for this type of sale where such ceiling prices are at or above the minimum prices required by that act and the Commission's Order, immediately prior to the effective date of this order. Provision is also made for the adjustment of ceiling prices of Montana wholesale tobacco distributors for out of stock cigarette sales in the event of a change in the minimum prices computed pursuant to the Montana Act and the Commission's Order, and in some instances for the establishment of ceiling prices of new brands of cigarettes sold out of stock by wholesale tobacco distributors in Montana.

This special order is issued pursuant to section 5 of General Overriding Regulation (GOR) 32. That regulation was issued by the OPS to conform to the requirements of section 402 (l) of the Defense Production Act of 1950, as amended. GOR 32 sets forth certain facts which must be shown to exist in a particular State before the OPS is required by the above-noted statutory provision to raise ceiling prices to the minimum prices required by the law of that State.

It appears from the information contained in the application of the Montana Trade Commission that the Montana Unfair Practices Act was in effect and enforced on June 30, 1952, and on October 16, 1952 (the date of application); that Report and Order No. 1, Docket No. 2-49, of the Montana Trade Commission was authorized by law and lawfully adopted and issued; that the Act and Report and Order No. 1, Docket No. 2-49, of the Montana Trade Commission have not been held invalid by any court of competent jurisdiction and that the ceiling prices of some cigarettes sold out of stock by wholesale tobacco distributors in the State of Montana are lower than the minimum prices required to be charged by the Montana Act.

Special provisions. For the reasons set forth in the Statement of Considerations and pursuant to section 5 of GOR 32 this special order is hereby issued.

1. Ceiling prices for out of stock sales of cigarettes by wholesale tobacco distributors subject to the Montana Unfair Practices Act and Report and Order No. 1, Docket No. 2-49, of the Montana Trade Commission, which are below the minimum sales prices computed pursuant to that act and the Commission's Order, as specified in paragraph 5 hereof, are hereby raised to those minimum sales prices. The terms "out of stock sales" and "wholesale tobacco distributors" are to have the same meaning as that given to them in Report and Order No. 1, Docket No. 2-49, of the Montana Trade Commission.

2. If the minimum prices for brands of cigarettes sold out of stock by Montana wholesale tobacco distributors on October 16, 1952, are increased after that date pursuant to the Montana Unfair Practices Act and Report and Order No. 1, Docket No. 2-49, of the Montana Trade Commission (hereinafter referred to as the Montana Act and the Commission's Order, respectively) such higher minimum prices shall become ceiling prices for those brands as hereinafter specified in this paragraph, upon the sending of a report by the Montana Trade Commission by registered mail to the Grocery Products Branch, Office of Price Stabilization, Washington 25, D. C. That report will indicate the reason for the change as well as the computations by which the new required minimum prices have been determined and will list the

new prices for various brands of cigarettes. The higher minimum prices so reported shall be established as ceiling prices for the sellers affected by paragraph 1 hereof and any other wholesale tobacco distributor subject to the Montana Act and the Commission's Order whose ceiling prices for out of stock sales would, as a result of such change, be below the new required minimum prices. If the minimum prices for brands of cigarettes sold out of stock by wholesale tobacco distributors subject to the Montana Act and the Commission's Order on October 16, 1952, are decreased after that date pursuant to the Montana Act and the Commission's Order, ceiling prices for the sellers affected by paragraph 1 hereof shall be established at the new minimum prices. However, where such lower prices are below the ceiling prices in effect immediately prior to the date of this special order, these ceiling prices shall be in effect after such change in the minimum prices.

3. If new brands of cigarettes are sold in Montana after October 16, 1952, the wholesale tobacco distributors subject to the Montana Act and the Commission's Order who are unable to compute ceiling prices for out of stock sales of the new brands pursuant to section 5 of the General Ceiling Price Regulation (because their comparison brands are not priced under section 3 of the General Ceiling Price Regulation but are priced under paragraph 1 or 2 of this special order) shall take as their ceiling prices for out of stock sales of such new brands the minimum sales prices computed for them in accordance with the Montana Act and the Commission's Order. These prices will be established as ceiling prices for such wholesale tobacco distributors making out of stock cigarette sales upon the sending of a report by the Montana Trade Commission by registered mail to the Grocery Products Branch, Office of Price Stabilization, Washington 25, D. C. This report will set forth the brand names of cigarettes and the minimum sales prices required to be charged for them in accordance with the Montana Act and the Commission's Order and will indicate how these minimum prices were computed.

4. Nothing in this special order shall prevent a wholesale tobacco distributor subject to the Montana Act and the Commission's Order whose ceiling prices for out of stock sales of cigarettes would be affected by the filing of the report by the Montana Trade Commission, as set forth in paragraph 2 or 3 hereof, from filing such report in his own behalf. The individual wholesale tobacco distributor may use as his ceiling prices for out of stock sales of cigarettes the minimum prices required by the Montana Act and the Commission's Order upon his mailing of such report unless and until such seller is notified by OPS that the reported prices are disapproved or that further information is required. In the event of a request for further information the reported minimum prices shall not be used as ceiling prices until such further information is sent by registered mail to the Grocery Products Branch, Office of Price Stabilization, Washington 25, D. C.

5. As used in this special order, the term "Montana Unfair Practices Act" means that Act as amended up to June 30, 1952 (Montana Unfair Practices Act, Title 51, Chapter 1, Revised Codes of Montana, 1947, as amended by Chapter 129, Laws of 1949) and the term "Report and Order No. 1, Docket No. 2-49 of the Montana Trade Commission" means that Order as corrected by the Montana Trade Commission on October 16, 1952.

6. This special order or any provision hereof may be revoked, suspended, or amended by the Director of Price Stabilization.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This special order is effective December 13, 1952.

NOTE: The record-keeping and reporting requirements of this special order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

JOSEPH H. FREEHILL,
Acting Director of Price Stabilization.

DECEMBER 12, 1952.

[F. R. Doc. 52-13241; Filed, Dec. 12, 1952; 11:28 a. m.]

Chapter VI—National Production Authority, Department of Commerce

[NPA Reg. 2, Direction 5—Revocation]

REG. 2—BASIC RULES OF THE PRIORITIES SYSTEM

DIR. 5—RESCHEDULING OF DELIVERIES UNDER NPA DIRECTIVES AFFECTED BY WORK STOPPAGE IN STEEL INDUSTRY

REVOCATION

Direction 5 (17 F. R. 7395) to NPA Reg. 2, as amended, is hereby revoked.

This revocation does not relieve any person of any obligation or liability incurred under Direction 5 to NPA Reg. 2, as amended, nor deprive any person of any rights received or accrued under that direction prior to the effective date of this revocation.

(64 Stat. 816, Pub. Law 429, 82d Cong.; 50 U. S. C. App. Sup. 2154)

This revocation shall take effect December 12, 1952.

NATIONAL PRODUCTION AUTHORITY,
By GEORGE W. AUXIER,
Executive Secretary.

[F. R. Doc. 52-13239; Filed, Dec. 12, 1952; 11:20 a. m.]

Chapter XXI—Office of Rent Stabilization, Economic Stabilization Agency

[Rent Regulation 1, Amdt. 101 to Schedule A]

[Rent Regulation 2, Amdt. 99 to Schedule A]

RR 1—HOUSING

RR 2—ROOMS IN ROOMING HOUSES AND OTHER ESTABLISHMENTS

SCHEDULE A—DEFENSE-RENTAL AREAS

MICHIGAN, NEW JERSEY AND PENNSYLVANIA

Effective December 13, 1952, Rent Regulation 1 and Rent Regulation 2 are amended so that the items indicated below of Schedule A read as set forth below.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup. 1894)

Issued this 10th day of December 1952.

JAMES McI. HENDERSON,
Director of Rent Stabilization.

State and name of defense-rental area	Class	County or counties in defense-rental area under regulation	Maximum rent date	Effective date of regulation
Michigan				
(152) Albion-Marshall.	B	In Calhoun County, the cities of Albion and Marshall.	Mar. 1, 1942	Oct. 1, 1942
New Jersey				
(190) Northeastern New Jersey.	B	In Essex County, the cities of East Orange, Newark, and Orange, the townships of Caldwell, Cedar Grove, Livingston, and Millburn, the towns of Belleville, Bloomfield, Irvington, Montclair, Nutley, West Orange, the boroughs of Caldwell and Verona, and the village of South Orange; in Hudson County, the cities of Bayonne, Hoboken, Jersey City, and Union City, the townships of North Bergen and Wechawken, the towns of Harrison, Guttenburg, Kearney, Secaucus, West New York, and the borough of East Newark; in Middlesex County, the cities of New Brunswick, Perth Amboy, and South Amboy, the townships of Cranbury, East Brunswick, Madison, Monroe, North Brunswick, Piscataway, Raritan, South Brunswick, and Woodbridge, the boroughs of Carteret, Dunellen, Highland Park, Jamesburg, Metuchen, Middlesex, Sayreville, South Plainfield, and South River; Monmouth County, except the boroughs of Allentown and Redbank, and the townships of Millstone and Upper Freehold; in Somerset County, the townships of Bridgewater, Franklin, and the boroughs of Bound Brook, Manville, Raritan, Somerville, and South Bound Brook; in Union County, the cities of Elizabeth, Linden, and Rahway, the townships of Cranford, Hillside and Union, the town of Westfield, the boroughs of Garwood, Roselle, and Roselle Park; and all unincorporated localities, in Essex, Hudson, Middlesex, Monmouth, Somerset, and Union Counties.	do	July 1, 1942
	C	Monmouth County, except the boroughs of Allentown, Redbank and Roosevelt, and the townships of Millstone and Upper Freehold.	Aug. 1, 1952	Nov. 6, 1952

State and name of defense-rental area	Class	County or counties in defense-rental area under regulation	Maximum rent date	Effective date of regulation
Pennsylvania				
(272) Williamsport	B	In Lycoming County, the city of Williamsport, the townships of Armstrong, Clinton, Loyalsock, and Old Lycoming, the boroughs of Duboistown, Montgomery, Montoursville, and South Williamsport.	Mar. 1, 1942	Nov. 1, 1942
	C	do	Jan. 1, 1952	Sept. 29, 1952
	A	In Lycoming County, the townships of Anthony, Bastress, Brady, Eldred, Fairfield, Hepburn, Limestone, Lycoming, Mifflin, Mill Creek, Muncy, Nippenose, Piatt, Porter, Susquehanna, Upper Fairfield, Washington, Watson, Wolf, and Woodward, and the boroughs of Hughesville, Picture Rocks, and Salladsburg.	do	Do.
	B	In Northumberland County, the city of Sunbury and the borough of Northumberland; in Snyder County, the borough of Selinsgrove; in Union County, the borough of Lewisburg.	Mar. 1, 1942	Dec. 1, 1942
	B	In Clinton County, the borough of Renovo	do	Feb. 1, 1944

These amendments decontrol the following based on resolutions submitted under section 204 (j) (3) of the act:

The City of Battle Creek in Calhoun County, Michigan, a portion of what was the Battle Creek Defense-Rental Area, the name of which is changed by these amendments to the Albion-Marshall Defense-Rental Area;

The Borough of Redbank in Monmouth County, New Jersey, a portion of the Northeastern New Jersey Defense-Rental Area;

The Township of Muncy Creek in Lycoming County, Pennsylvania, a portion of the Williamsport Defense-Rental Area.

These amendments also decontrol the following portions of what is now known as the Albion-Marshall Defense-Rental Area in the state of Michigan:

In Calhoun County, the Townships of Battle Creek, Bedford, Emmett and Pennfield; in Kalamazoo County, the Fort Custer Military Reservation, the City of Galesburg, and the Townships of Charleston and Ross.

[F. R. Doc. 52-13150; Filed, Dec. 12, 1952; 8:53 a. m.]

[Rent Regulation 3, Amdt. 102 to Schedule A]

[Rent Regulation 4, Amdt. 45 to Schedule A]

RR 3—Hotels

RR 4—Motor Courts

Schedule A—Defense-Rental Areas

New Jersey and Pennsylvania

Effective December 13, 1952, Rent Regulation 3 and Rent Regulation 4 are amended so that the items indicated below of Schedule A read as set forth below.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup. 1894)

Issued this 10th day of December 1952.

James McI. Henderson,
Director of Rent Stabilization.

Name of defense-rental area	State	County or counties in defense-rental area under regulation	Maximum rent date	Effective date of regulation
(152)		[Revoked and decontrolled]		
(190) Northeastern New Jersey.	New Jersey	Monmouth County, except the boroughs of Allentown, Red Bank, and Roosevelt, and the townships of Millstone and Upper Freehold.	Aug. 1, 1952	Nov. 6, 1952
(272) Williamsport	Pennsylvania	In Lycoming County, the city of Williamsport; the boroughs of Duboistown, Hughesville, Montgomery, Montoursville, Picture Rocks, Salladsburg, and South Williamsport; and the townships of Anthony, Armstrong, Bastress, Brady, Clinton, Eldred, Fairfield, Hepburn, Limestone, Loyalsock, Lycoming, Mifflin, Mill Creek, Muncy, Nippenose, Old Lycoming, Piatt, Porter, Susquehanna, Upper Fairfield, Washington, Watson, Wolf, and Woodward.	Jan. 1, 1952	Sept. 29, 1952

These amendments decontrol the following based on resolutions submitted under section 204 (j) (3) of the act:

The City of Battle Creek in Calhoun County, Michigan, a portion of what was the Battle Creek Defense-Rental Area, now known as the Albion-Marshall Defense-Rental Area;

The Borough of Redbank in Monmouth County, New Jersey, a portion of the Northeastern New Jersey Defense-Rental Area;

The Township of Muncy Creek in Lycoming County, Pennsylvania, a portion of the Williamsport Defense-Rental Area.

These amendments also decontrol the following portions of what is now known as the Albion-Marshall Defense-Rental Area in the state of Michigan:

In Calhoun County, the Townships of Battle Creek, Bedford, Emmett and Pennfield; in Kalamazoo County, the Fort Custer Military Reservation, the City of Galesburg, and the Townships of Charleston and Ross.

[F. R. Doc. 52-13151; Filed, Dec. 12, 1952; 8:53 a. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

Part 121—Separation of Operating Expenses Between Freight and Passenger Services [1]

Steam Railroads; Separation of Operating Expenses, Taxes, Equipment Rents, and Joint Facility Rents Between Freight Service and Passenger Service

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 18th day of November A. D. 1952.

The matter of rules governing the separation of operating expenses, taxes, equipment rents, and joint facility rents between freight service and passenger service on class I line-haul steam railroad companies being under consideration pursuant to the provisions of part I of the Interstate Commerce Act as amended (sec. 12, 24 Stat. 383, as amended, sec. 20, 24 Stat. 386, as amended; 49 U. S. C. 12, 20).

It is ordered, That the order dated November 11, 1935, in the matter of rules governing the separation of operating expenses, taxes, equipment rents, and joint facility rents between freight service and passenger service on large steam railroads, (49 CFR 121.0 to 121.70) be, and it is hereby, vacated and set aside, effective January 1, 1953, except so far as it relates to periods of time prior to that date, and the following order be and it is hereby substituted therefor.

§ 121.0 *Separation of operating expenses.* Effective as of January 1, 1953, and thereafter until otherwise ordered, all class I steam railroad companies, except switching and terminal companies of class I (§ 126.1 of this chapter) subject to the provisions of section 20 of the Interstate Commerce Act as amended:

(a) Shall classify each of its various items of disbursement relating to operating expenses, railway taxes, equipment rents, and joint facility rents according to the relation which such item bears to the freight service and to the passenger and allied services of the carrier. Each such item shall have its character appropriately indicated on the carrier's records according to its relation (1) solely to freight service, or (2) solely to passenger and allied services, or (3) in common to both freight service and passenger and allied services, or (4) to neither freight service or passenger and

[1] The accounts mentioned in this part refer to and agree with Part 10 of this chapter.

allied services. The results of such classification shall be shown in the annual or other reports made by each such carrier to the Interstate Commerce Commission, as may be indicated in forms adopted therefor. Similar analysis shall be made of every journal entry representing a charge or credit to the above-named accounts and the results of such analysis shall be appropriately indicated on the carrier's records;

(b) The operating expenses, railway taxes, equipment rents, and joint facility rents common to both freight service and passenger and allied services shall be apportioned between the two classes of service in accordance with the annexed "Rules Governing the Separation of Operating Expenses, Railway Taxes, Equipment Rents, and Joint Facility Rents Between Freight Service and Passenger Service on Class I Line-Haul Steam Railroads," which are hereby approved and made a part hereof; and the result of such apportionment shall be shown in detail for the various primary accounts in the annual or other reports of each such carrier to the Interstate Commerce Commission as may be indicated in forms adopted therefor (§ 120.11 of this chapter).

It is further ordered, That a copy of this order and the attached rules shall be served upon every class I steam railroad (except switching and terminal companies) subject to part I of the Interstate Commerce Act, and upon every receiver, trustee, executor, administrator, or assignee of any such steam railroad; and notice of this order shall be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

Objections may be filed. Any interested party may on or before 45 days after the date of this order file with the Commission a written statement of reasons why the said order should not become effective as provided above. Unless otherwise ordered after consideration of such objections, the said order shall become effective as herein ordered.

By the Commission, Division 1.

[SEAL] GEORGE W. LAIRD,
Acting Secretary.

GENERAL

Sec.
121.01 Expenses directly assigned.
121.02 Methods.
121.03 Made by accounting divisions.
121.04 Special test.
121.05 Instructions for apportioning.

OPERATING EXPENSES

MAINTENANCE OF WAY AND STRUCTURES

121.1 Superintendence (account 201).
121.2 Roadway maintenance; tunnels and subways; bridges, trestles, and culverts; elevated structures; ties; rails; other track material; ballast; track laying and surfacing; and fences, snowsheds, and signs (accounts 202–221).
121.3 Station and office buildings (account 227).
121.4 Roadway buildings (account 229).
121.5 Water stations (account 231).
121.6 Fuel stations (account 233).
121.7 Shops and enginehouses (account 235).
121.8 Grain elevators; storage warehouses; wharves and docks; and coal and ore wharves (accounts 237–243).
121.9 Communication systems (account 247).
121.10 Signals and interlockers (account 249).
121.11 Power plants (account 253).
121.12 Power-transmission systems; and miscellaneous structures (accounts 257–265).
121.13 Road property; depreciation; retirements; road; and deferred maintenance; way and structures, etc. (accounts 266–268).
121.14 Roadway machines (account 269).
121.15 Dismantling retired road property (account 270).
121.16 Small tools and supplies; removing snow, ice, and sand; and public improvements; maintenance (accounts 271–273).
121.17 Injuries to persons; insurance; stationery and printing; and other expenses (accounts 274–277).
121.18 Maintaining joint tracks, etc. (accounts 278–279).
121.19 Right-of-way expenses (account 281).

MAINTENANCE OF EQUIPMENT

121.20 Superintendence (account 301).
121.21 Shop machinery (account 302).
121.22 Power-plant machinery (account 304).
121.23 Shop and power-plant machinery; depreciation; and dismantling retired shop and power-plant machinery (accounts 305–306).
121.24 Steam locomotives; repairs (account 308).
121.25 Other locomotives; repairs (account 311).
121.26 Freight-train cars, and passenger-train cars; repairs (accounts 314–317).
121.27 Floating equipment; repairs (account 323).
121.28 Work equipment; repairs (account 326).
121.29 Miscellaneous equipment; repairs (account 328).
121.30 Dismantling retired equipment (account 329).
121.31 Retirements; equipment (account 330).
121.32 Equipment; depreciation (account 331).
121.33 Injuries to persons; insurance; stationary and printing; and other expenses (accounts 332–335).
121.34 Joint maintenance of equipment expenses, etc. (accounts 336–337).
121.35 Deferred maintenance; equipment, etc.; and major repairs; equipment, etc. (accounts 339–340).

TRAFFIC

121.36 Superintendence; outside agencies; advertising; traffic associations; fast freight lines; industrial and immigration bureaus; insurance; stationery and printing; and other expenses (accounts 351–359).

TRANSPORTATION; RAIL LINE

121.37 Superintendence (account 371).
121.38 Dispatching trains (account 372).
121.39 Station employees (account 373).
121.40 Weighing, inspection, and demurrage bureaus; and coal and ore wharves (accounts 374–375).
121.41 Station supplies and expenses (account 376).
121.42 Yardmasters and yard clerks; yard conductors and brakemen; yard switch and signal tenders; and yard enginemen (accounts 377–380).
121.43 Yard switching fuel (account 382).
121.44 Yard switching power produced; and purchased (accounts 383–384).
121.45 Water for yard locomotives (account 385).
121.46 Lubricants (and other supplies) for yard locomotives; enginehouse expenses, yard; and yard supplies and expenses (accounts 386–389).
121.47 Operating joint yards and terminals, etc. (accounts 390–391).
121.48 Train enginemen; train fuel; train power produced; and train power purchased (accounts 392–396).
121.49 Water for train locomotives (account 397).
121.50 Lubricants for train locomotives; and other supplies for train locomotives (accounts 398–399).
121.51 Enginehouse expenses; train (account 400).
121.52 Trainmen; and train supplies and expenses (accounts 401–402).
121.53 Operating sleeping cars (account 403).
121.54 Signal and interlocker operation; and crossing protection (accounts 404–405).
121.55 Drawbridge operation (account 406).
121.56 Communication system operation (account 407).
121.57 Operating floating equipment (account 408).
121.58 Stationery and printing (account 410).
121.59 Other expenses (account 411).
121.60 Operating joint tracks and facilities, etc. (accounts 412–413).
121.61 Insurance; clearing wrecks; damage to property; and damage to live stock on right-of-way (accounts 414–417).
121.62 Loss and damage, freight (account 418).
121.63 Loss and damage, baggage (account 419).
121.64 Injuries to persons (account 420).

MISCELLANEOUS OPERATIONS

121.65 Miscellaneous operations: dining and buffet service; hotels and restaurants; grain elevators; producing power sold; other miscellaneous operations; and operating joint miscellaneous facilities, etc. (accounts 441–448).

GENERAL EXPENSES

121.66 General expenses: salaries and expenses of general officers, and of clerks and attendants; general office supplies and expenses; law expenses; insurance; relief department expenses; pensions and gratuities; stationery and printing; valuation expenses; other expenses; and general joint facilities, etc. (accounts 451–462).

INCOME ACCOUNT

TAXES, EQUIPMENT RENTS, AND JOINT FACILITY RENTS

121.67 Hire of freight cars, credit balance (account 503).
121.68 Rent from locomotives (account 504).
121.69 Rent from passenger-train cars (account 505).
121.70 Rent from floating equipment (account 506).
121.71 Rent from work equipment (account 507).
121.72 Joint facility rent income (account 508).
121.73 Railway tax accruals (account 532).

Sec.
121.74 Hire of freight cars, debit balance (account 536).
121.75 Rent for locomotives; for passenger-train cars; and for floating equipment (accounts 537–539).
121.76 Rent for work equipment (account 540).
121.77 Joint facility rents (account 541).

CHARGES AND CREDITS BETWEEN SERVICES

121.78 Charges and credits between services.

AUTHORITY: §§ 121.01 to 121.78 issued under sec. 12, 24 Stat. 383, as amended, sec. 201, 54 Stat. 933; 49 U. S. C. 12, 904. Interpret or apply sec. 20, 24 Stat. 386, as amended, 54 Stat. 944; 49 U. S. C. 20, 913.

RULES GOVERNING THE SEPARATION OF RAILWAY OPERATING EXPENSES, TAXES, EQUIPMENT RENTS, AND JOINT FACILITY RENTS BETWEEN FREIGHT SERVICE AND PASSENGER SERVICE

GENERAL

§ 121.01 *Expenses directly assigned.* Carriers shall first assign to freight service or to passenger service, including allied services, the expenses that are directly or naturally assignable to such services, respectively, except as stated below.

§ 121.02 *Methods.* The methods indicated under the various accounts are for dividing the common expenses. The test of whether an item of expense is direct or common should be based upon whether the service performed or the use of the facility is related solely to the freight service or to the passenger service, on the one hand, or, on the other hand, is common to both freight and passenger services.

§ 121.03 *Made by accounting divisions.* The separation shall be made by accounting divisions, where such divisions are maintained, and the aggregate of the accounting divisions reported for the year.

§ 121.04 *Special test.* When the separation of expenses between freight and passenger services is based upon a special test, such test should be made at sufficiently frequent intervals to represent actual operating conditions.

§ 121.05 *Instructions for apportioning.* Where groups of accounts are hereinafter stated, the instructions immediately thereunder apply to each account in the group.

OPERATING EXPENSES

MAINTENANCE OF WAY AND STRUCTURES

§ 121.1 *Superintendence (account 201).* Assign directly as per § 121.01. Apportion common expenses according to propositions of accounts 202 to 265, inclusive, 269 to 277, inclusive, and 281, excluding common expenses in accounts 247, and 274 to 277, inclusive.

§ 121.2 *Roadway maintenance; tunnels and subways; bridges, trestles, and culverts; elevated structures; ties; rails; other track material; ballast; track laying and surfacing; and fences, snowsheds, and signs (accounts 202–221).* (a) Separate all tracks which are maintained by respondent into the following three classes: Yard switching tracks, Way switching tracks, and Running tracks, as defined in subparagraphs (1) through (3) of this paragraph:

(1) *Yard switching tracks.* Includes tracks in yards where separate switching services are maintained, including classification, house, team, industry, and other tracks switched by yard locomotives. Excludes running tracks located within yards which are regularly used by road trains, passing tracks, and all turnouts from these tracks to clearance points.

(2) *Way switching tracks.* Includes station, team, industry, and other switching tracks for which no separate switching service is maintained.

(3) *Running tracks.* Includes running tracks, passing tracks, crossovers, etc., including turnouts from those tracks to clearance points.

(b) The separation of the expenses between yard switching tracks, way switching tracks, and running tracks shall be based either on the work actually performed and materials used for each class of track or on a weighted track-mile basis, developed from special studies. The expenses for each class of track shall be separated between freight service and passenger service as follows:

(1) *Yard switching tracks.* Expenses for exclusively freight or passenger yards shall be directly assigned. Expenses for yards used in common by freight and passenger services shall be apportioned on the basis of the respective switching locomotive hours in the common yards.

(2) *Way switching tracks.* Expenses of exclusively freight or passenger tracks shall be directly assigned. Where the tracks at any one location are used in common by both freight and passenger services, expenses may be assigned to that service which makes the preponderant use of them.

(3) *Running tracks.* Expenses of tracks exclusively used for freight or passenger service shall be directly assigned. The expenses of tracks used in common by both services shall be apportioned on the basis of gross ton-miles (including locomotive ton-miles) handled over these common tracks in the respective services.

§ 121.3 *Station and office buildings (account 227).* Assign directly as per § 121.01. If the sum of the direct freight and the direct passenger expenses is more than 50 percent of the total charges to this account for an accounting division, apportion the common expenses on the basis of the directly assigned expenses in this account for the accounting division involved. Where the sum of the direct freight and the direct passenger expenses does not aggregate 50 percent of the total charges for an accounting division, the common expenses should be apportioned on the basis of special test. Where common expenses exist in any accounting division but the direct expenses are applicable to only one service, i. e., freight or passenger, the common expenses shall be apportioned on the basis of a special test. If the accounting is performed on a system basis rather than by accounting divisions, follow the intent of the above instructions.

§ 121.4 *Roadway buildings (account 229).* Assign directly as per § 121.01. Apportion common expenses according to proportions of accounts 202 to 221, inclusive.

§ 121.5 *Water stations (account 231).* Assigns directly as per § 121.01. Apportion common expenses according to proportions of accounts 385 and 397, after deducting charges for water issued from stations assigned direct.

§ 121.6 *Fuel stations (account 233).* Assign directly as per § 121.01. Apportion common expenses according to proportions of charges to accounts 382 and 394, after deducting charges from fuel stations assigned direct.

§ 127.7 *Shops and enginehouses (account 235).* Assign directly as per § 121.01. Apportion common expenses of shops according to proportions of accounts 308, 311, 314, 317, 323, and 326, excluding common expenses in account 326; of enginehouses according to proportions of accounts 388 and 400.

§ 121.8 *Grain elevators; storage warehouses; wharves and docks; and coal and ore wharves (accounts 237–243).* Assign directly or apportion according to facts in individual instances.

§ 121.9 *Communication systems (account 247).* Assign directly as per § 121.01. Apportion common expenses on basis of accounts 201, 301, 351, 371, and 372 taken together.

NOTE: As accounts 451 and 452 are apportioned on the basis of proportions established for accounts 201 to 448, inclusive, they are not included here as bases for apportioning account 247.

§ 121.10 *Signals and interlockers (account 249).* Assign directly as per § 121.01. Apportion common expenses on the basis of the total locomotive-miles (road and yard) plus train-miles without locomotives (motor car propelled trains) but excluding helper-locomotive-miles.

§ 121.11 *Power plants (account 253).* Assign directly as per § 121.01. Apportion common expenses on basis of power used.

§ 121.12 *Power-transmission systems; and miscellaneous structures (accounts 257–265).* Assign according to the facts in individual instances.

§ 121.13 *Road property—depreciation; retirements; road; and deferred maintenance; way and structures, etc. (accounts 266–268).* Assign directly as per § 121.01. Apportion common expenses according to the proportions of charges under the appropriate maintenance of way and structures accounts.

§ 121.14 *Roadway machines (account 269).* Assign directly as per § 121.01. Apportion common expenses according to proportions of accounts 202 to 221, inclusive.

§ 121.15 *Dismantling retired road property (account 270).* Assign directly as per § 121.01. Apportion common expenses according to proportions of charges under the appropriate maintenance of way and structures accounts.

§ 121.16 *Small tools and supplies; removing snow, ice, and sand; and public improvements; maintenance (accounts 271–273).* Assign directly as per § 121.01. Apportion common expenses according to proportions of accounts 202 to 221, inclusive.

§ 121.17 *Injuries to persons; insurance; stationery and printing; and other expenses (accounts 274–277).* When not determined by the particulars in individual instances, these expenses shall be apportioned according to the percentages used to divide common expenses of account 201.

§ 121.18 *Maintaining joint tracks, etc. (accounts 278–279).* Joint facility debits shall be separated according to use made of the facilities by the debtor carrier regardless of the use by the other carriers. The creditor carrier shall apportion the credits on the basis of accounts 202 to 277, inclusive, and 281, excluding common expenses in account 247.

§ 121.19 *Right-of-way expenses (account 281).* Assign directly as per § 121.01. Apportion common expenses according to proportions of accounts 202 to 221, inclusive.

MAINTENANCE OF EQUIPMENT

§ 121.20 *Superintendence (account 301).* Assign directly as per § 121.01. Apportion common expenses according to the proportions of accounts 302, 304, 306 to 329, inclusive, and 332 to 335, inclusive, excluding common expenses in accounts 328, and 332 to 335, inclusive.

§ 121.21 *Shop machinery (account 302).* Assign directly as per § 121.01. Apportion common expenses according to proportions of accounts 308, 311, 314, 317, 323, and 326 combined.

§ 121.22 *Power-plant machinery (account 304).* Assign directly as per § 121.01. Apportion common expenses on basis of power used.

§ 121.23 *Shop and power-plant machinery; depreciation; and dismantling retired shop and power-plant machinery (accounts 305–306).* Assign directly as per § 121.01. Apportion common expenses according to tenor of accounts 302 and 304.

§ 121.24 *Steam locomotives, repairs (account 308)*—(a) *Where the carrier maintains records of the repairs by individual locomotives or classes of locomotives.* When the individual locomotives or classes of locomotives are used exclusively in road-freight, road-passenger, yard-freight or yard-passenger services, the separation shall be actual. When the individual locomotives or classes of locomotives are used interchangeably in road-freight (including train switching), road-passenger, yard-freight or yard-passenger services, distribute the heavy shop repairs between these services on the basis of the run-out miles of the individual locomotives or classes of locomotives since the previous shopping; and distribute the cost of running repairs between such services on the basis of the miles run by the individual locomotive or class of locomotive in each service during the accounting period for which the separation is being made.

(b) *Where the cost of heavy shop repairs is kept by individual locomotives or classes of locomotives, but the cost of running repairs is not kept either by individual locomotives or classes of locomotives.* The heavy shop repairs should be distributed as indicated in paragraph (a) of this section. The cost of running repairs shall be apportioned among road-freight (including train switching), road-passenger, yard-freight and yard-passenger services on the basis of locomotive-ton-miles or locomotive unit miles for the accounting period for which the separation is being made.

(c) *Where record is not kept of either heavy shop repairs or running repairs by individual locomotives or classes of locomotives.* The expenses shall be distributed among road-freight service (including train switching), road-passenger service, yard-freight, and yard-passenger, on the basis of locomotive-ton-miles or locomotive unit miles for the accounting period for which the separation is being made.

§ 121.25 *Other locomotives; repairs (account 311).* Treat in accordance with the methods used for account 308.

§ 121.26 *Freight-train cars; repairs; and passenger-train cars; repairs (accounts 314–317).* Assign directly.

§ 121.27 *Floating equipment; repairs (account 323).* Apportion according to use made of the floating equipment.

§ 121.28 *Work equipment; repairs (account 326).* Apportion common expenses according to proportions of accounts 202 to 265, inclusive, 269 to 273, inclusive, and 281, excluding common expenses in account 247.

§ 121.29 *Miscellaneous equipment; repairs (328).* Assign directly as per § 121.01. Apportion common expenses according to percentages used to divide common expenses of accounts 201, 301, 351, and 371.

§ 121.30 *Dismantling retired equipment (account 329).* Observe tenor of directions under accounts 308 to 328, inclusive.

§ 121.31 *Retirements; equipment (account 330).* Assign directly.

§ 121.32 *Equipment; depreciation (account 331).* Observe tenor of directions under accounts 308 to 328, inclusive.

§ 121.33 *Injuries to persons; insurance; stationery and printing; and other expenses (accounts 332–335).* When not determined by the particulars in individual instances, these expenses shall be apportioned according to the percentages use to divide common expenses of account 301.

§ 121.34 *Joint maintenance of equipment expenses, etc. (accounts 336–337).* Joint equipment charges shall be treated on appropriate basis according to the use made of the equipment by the debtor carrier, regardless of the use by other carriers. Creditor carrier should apportion the credits on the basis of accounts 302 to 335, inclusive, 339, and 340.

§ 121.35 *Deferred maintenance; equipment, etc.; and major repairs; equipment, etc., (accounts 339–340).* Observe tenor of directions under the appropriate maintenance of equipment accounts 301 to 335, inclusive.

TRAFFIC

§ 121.36 *Superintendence; outside agencies; advertising; traffic associations; fast freight lines; industrial and immigration bureaus; insurance; stationery and printing; and other expenses (accounts 351–359).* Assign directly as per § 121.01. Apportion the unassigned remainder on the basis of the directly assigned expenses in this general account, other than advertising expense.

TRANSPORTATION; RAIL LINE

§ 121.37 *Superintendence (account 371).* Assign directly as per § 121.01. Apportion common expenses according to the proportions of accounts 372 to 420, inclusive, excluding the total expenses in accounts 390, 391, 412, and 413, and common expenses in accounts 407, 410, and 411.

§ 121.38 *Dispatching trains (account 372).* Assign directly as per § 121.01. Apportion common expenses on the basis of transportation service train hours, including train switching hours.

§ 121.39 *Station employees (account 373).* Assign directly as per § 121.01. If the sum of the direct freight and the direct passenger expenses is more than 50 percent of the total charges to this account for an accounting division, apportion the common expenses on the basis of the directly assigned expenses in this account for the accounting division involved. Where the sum of the direct freight and the direct passenger expenses does not aggregate 50 percent of the total charges for an accounting division, the common expenses should be apportioned on the basis of special test. Where common expenses exist in any accounting division but the direct expenses are applicable to only one service, i. e., freight or passenger, and even though the direct charges are over 50 percent of the total charges, the common expenses shall be apportioned on the basis of a special test. If the accounting is performed on a system basis rather than by accounting divisions, follow the intent of the above instructions.

§ 121.40 *Weighing, inspection, and demurrage bureaus; and coal and ore wharves (accounts 374–375).* Assign directly.

§ 121.41 *Station supplies and expenses (account 376).* Assign directly

as per § 121.01. If the sum of the direct freight and the direct passenger expenses is more than 50 percent of the total charges to this account for an accounting division, apportion the common expenses on the basis of the directly assigned expenses in this account for the accounting division involved. Where the sum of the direct freight and the direct passenger expenses does not aggregate 50 percent of the total charges for an accounting division, the common expenses should be apportioned on the basis of special test. Where common expenses apply in any accounting division but the direct expenses are applicable to only service, i. e., freight or passenger, and even though the direct charges are over 50 percent of the total charges, the common expenses shall be apportioned on the basis of a special test. If the accounting is performed on a system basis rather than by accounting divisions, follow the intent of the above instructions.

§ 121.42 *Yardmasters and yard clerks; yard conductors and brakemen; yard switch and signal tenders; and yard enginemen (accounts 377–380).* Expenses for exclusively freight or passenger yards shall be assigned directly. Apportion the expenses of common yards on the basis of the total switching locomotive-hours in those yards.

§ 121.43 *Yard switching fuel (account 382).* Expenses for exclusively freight and passenger yards shall be assigned directly. Apportion the common expenses of each kind of fuel on the basis of the switching locomotive-hours of the locomotives using that kind of fuel in those yards.

§ 121.44 *Yard switching power produced; and purchased (accounts 383–384).* Expenses for exclusively freight and passenger yards shall be assigned directly. Apportion the expenses of the common yards on the basis of the other switching locomotive-hours of the locomotives in those yards using the power produced or purchased.

§ 121.45 *Water for yard locomotives (account 385).* Expenses for exclusively freight and passenger yards shall be assigned directly. Apportion the expenses of common yards on the basis of the steam switching locomotive-hours in those yards.

§ 121.46 *Lubricants, and other supplies for yard locomotives; enginehouse expenses—yard; and yard supplies and expenses (accounts 386–389).* Expenses for exclusively freight or passenger yards shall be assigned directly. Apportion the expenses of common yards on the basis of the total switching locomotive-hours in those yards.

§ 121.47 *Operating joint yards and terminals, etc. (accounts 390–391).* Joint facilities shall be treated on appropriate bases according to the use made of the facilities by the debtor carrier, regardless of the use by other carriers. Creditor carriers shall apportion the total of account 391 on the basis of accounts 373, and 376 to 389, inclusive.

§ 121.48 *Train enginemen; train fuel; train power produced; and train power purchased (accounts 392–396).* Assign directly as per § 121.01. Apportion common expenses on the basis of the direct assignment.

§ 121.49 *Water for train locomotives (account 397).* Assign directly as per § 121.01. Apportion common expenses on the basis of the tons or gallons of fuel consumed by steam locomotives in freight-train and passenger-train services, respectively. Where more than one type of fuel is used by steam locomotives, the kinds of fuel shall be converted to a common equated unit. The equating factors shall be based on the facts in the individual instances.

§ 121.50 *Lubricants for train locomotives; and other supplies for train locomotives (accounts 398–399).* Observe tenor of directions under accounts 392 to 396, inclusive.

§ 121.51 *Enginehouse expenses; train (account 400).* Assign directly as per § 121.01. Common expenses at each enginehouse shall be divided according to the number of engines handled for each service. Where various classes of engines differ considerably in expense of handling at an enginehouse, an arbitrary should be adopted representing such variation and the number of engines handled modified accordingly.

§ 121.52 *Trainmen; and train supplies and expenses (accounts 401–402).* Observe tenor of directions under accounts 392 to 396, inclusive.

§ 121.53 *Operating sleeping cars (account 403).* Assign to passenger.

§ 121.54 *Signal and interlocker operation; and crossing protection (accounts 404–405).* Assign directly as per § 121.01. Apportion common expenses on the basis of the total locomotive-miles (road and yard) plus train-miles without locomotives (motor car propelled trains) but excluding helper-locomotive-miles.

§ 121.55 *Drawbridge operation (account 406).* Assign directly as per § 121.01. Apportion common expenses on the basis of train hours of the particular operating division on which the bridge is located.

§ 121.56 *Communication system operation (account 407).* Assign directly as per § 121.01. Apportion common expenses on the basis of the sum of the charges (assigned or apportioned) to accounts 201, 301, 351, 371, and 372.

NOTE: As accounts 451 and 452 are apportioned on the basis of proportions established for accounts 201 to 448, inclusive, they are not included here as bases for apportioning this account.

§ 121.57 *Operating floating equipment (account 408).* Assign directly as per § 121.01. Apportion common expenses according to the use made of the floating equipment.

§ 121.58 *Stationery and printing (account 410).* When not determined by the particulars in individual instances, apportion according to common expenses in account 371.

§ 121.59 *Other expenses (account 411).* When not determined by the particulars in individual instances, these expenses shall be apportioned according to the percentages used to divide common expenses of account 371.

§ 121.60 *Operating joint tracks and facilities, etc. (accounts 412–413).* Joint facilities shall be treated on appropriate bases according to the use made of the facilities by the debtor carrier, regardless of the use by other carriers. Creditor carrier shall apportion the total of account 413 on the basis of accounts 392 to 402, inclusive.

§ 121.61 *Insurance; clearing wrecks; damage to property; and damage to livestock on right-of-way (accounts 414–417).* Assign directly as per § 121.01. Apportion unassigned remainder on the basis of the directly assigned expenses.

§ 121.62 *Loss and damage, freight (account 418).* Assign to freight.

§ 121.63 *Loss and damage, baggage (account 419).* Assign to passenger.

§ 121.64 *Injuries to persons (account 420).* Assign directly as per § 121.01. Apportion unassigned remainder on the basis of the directly assigned expenses.

MISCELLANEOUS OPERATIONS

§ 121.65 *Dining and buffet service; hotels and restaurants; grain elevators; producing power sold; other miscellaneous operations; and operating joint miscellaneous facilities, etc. (accounts 441–448).* Assign directly as per § 121.01 Apportion remainder on appropriate units according to local conditions.

GENERAL EXPENSES

§ 121.66 *Salaries and expenses of general officers, and of clerks and attendants; general office supplies and expenses; law expenses; insurance; relief department expenses; pensions and gratuities; stationery and printing; valuation expenses; other expenses; and general joint facilities, etc. (accounts 451–462).* Assign directly as per § 121.01. Apportion the remainder according to proportions of accounts 201 to 448, inclusive.

INCOME ACCOUNT

TAXES, EQUIPMENT RENTS, AND JOINT FACILITY RENTS

§ 121.67 *Hire of freight cars, credit balance (account 503).* Assign directly to freight service.

§ 121.68 *Rent from locomotives (account 504).* Assign according to type of locomotive rented.

§ 121.69 *Rent from passenger-train cars (account 505).* Assign directly.

§ 121.70 *Rent from floating equipment (account 506).* Assign according to type of equipment rented.

§ 121.71 *Rent from work equipment (account 507).* Apportion in accordance with rules for treating account 326.

§ 121.72 *Joint facility rent income (account 508).* Assign directly as per § 121.01. Apportion common expenses on basis of the sum of accounts 279, 337, 391, 413, 448, and 462.

§ 121.73 *Railway tax accruals (account 532).* (a) Apportion current income tax accruals in accordance with separation of net railway operating income before deducting Federal and State income taxes. If result for one service upon that basis is a deficit, assign income tax to the other service showing an income.

(b) Apportion large or unusual debit and credit adjustments of prior years' income tax accruals on the basis of the respective tax accruals applicable to the year to which such tax adjustments relate.

(c) Apportion all other tax accruals on the basis of separation of total operating expenses.

§ 121.74 *Hire of freight cars, debit balance (account 536).* Assign directly to freight service.

§ 121.75 *Rent for locomotives; rent for passenger-train cars; and rent for floating equipment (accounts 537–539).* Assign directly.

§ 121.76 *Rent for work equipment (account 540).* Apportion in accordance with rules for treating account 326.

§ 121.77 *Joint facility rents (account 541).* Assign directly as per § 121.01. Apportion common expenses on the basis of the sum of accounts 278, 336, 390, 412, 447 and 461.

CHARGES AND CREDITS BETWEEN SERVICES

§ 121.78 *Charges and credits between services.* Carriers in making apportionments under the preceding rules should not, until further notice, make any allowance for the credit that should be given to the freight service for work performed (such as carrying company fuel) for the passenger service and vice versa.

NOTE A: If compilation of the information in compliance with any of the foregoing rules or parts thereof result in an undue burden or increase in accounting expense, the matter of relief therefrom may be referred to the Bureau of Transport Economics and Statistics for consideration and decision. Also, if data as good or better can be developed through methods and procedures other than any of those above prescribed, permission for substitution thereof should be requested of the said Bureau. Requests in either event should be supported by full particulars.

NOTE B: The total distribution to freight service or passenger service derived under the foregoing rules for separation consists of the solely related or directly assignable amounts plus an apportionment of the common on a service or use basis. Inasmuch as the amounts assigned and/or apportioned to the freight and passenger services, respectively, are based on the performance of both services, the operating expenses, taxes, equipment, and joint facility rents assigned and/or apportioned to either service may not represent the amounts that could be eliminated if either service were discontinued.

[F. R. Doc. 52–13123; Filed, Dec. 12, 1952; 8:47 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE TREASURY

Bureau of Internal Revenue

[26 CFR Part 29]

INCOME TAX; TAXABLE YEARS BEGINNING AFTER DEC. 31, 1941

COMPENSATION OF CERTAIN MEMBERS OF ARMED FORCES; ABATEMENT OF INCOME TAX FOR SUCH MEMBERS UPON DEATH

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in sections 62 and 3791 of the Internal Revenue Code (53 Stat. 32, 467; 26 U. S. C. 62, 3791).

[SEAL] JOHN S. GRAHAM,
Acting Commissioner of Internal Revenue.

In order to conform Regulations 111 (26 CFR Part 29) to sections 305 and 334 of the Revenue Act of 1951, approved October 20, 1951, such regulations are hereby amended as follows:

PARAGRAPH 1. There is inserted immediately preceding § 29.22 (b) (13)–1 the following:

SEC. 305. COMPENSATION OF CERTAIN MEMBERS OF THE ARMED FORCES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

(a) *Amendment of section 22 (b) (13).* Section 22 (b) (13) (relating to exclusion from gross income of compensation of certain members of the armed forces) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

(A) *Enlisted personnel.* Compensation received for active service as a member below the grade of commissioned officer in the armed forces of the United States for any month during any part of which such member—

(i) Served in a combat zone after June 24, 1950, and prior to January 1, 1954, or

(ii) Was hospitalized as a result of wounds, disease, or injury incurred while serving in a combat zone prior to January 1, 1954; but this clause shall not apply for any month during any part of which there are no combatant activities in any combat zone as determined under subparagraph (C) (iii) of this paragraph.

(B) *Commissioned officers.* So much of the compensation as does not exceed $200 received for active service as a commissioned officer in the armed forces of the United States for any month during any part of which such officer—

(i) Served in a combat zone after June 24, 1950, and prior to January 1, 1954, or

(ii) Was hospitalized as a result of wounds, disease, or injury incurred while serving in a combat zone prior to January 1, 1954; but this clause shall not apply for any month during any part of which there are no combatant activities in any combat zone as determined under subparagraph (C) (iii) of this paragraph.

(b) *Definition of service in combat zone.* Clause (iii) of section 22 (b) (13) (C) is hereby amended by striking out "such zone; and" and inserting in lieu thereof "such zone, except that June 25, 1950, shall be considered the date of the commencing of combatant activities in the combat zone designated in Executive Order 10195; and".

* * * * *

(d) *Effective dates.* The amendments made by subsections (a) and (b) shall be applicable to taxable years ending after June 24, 1950. * * *

PAR. 2. Section 29.22 (b) (13)–2, as added by Treasury Decision 5832, approved March 8, 1951, is hereby amended as follows:

(A) By changing the headnote and paragraphs (a) and (b) thereof to read as follows:

§ 29.22 (b) (13)–2 *Compensation of members of the armed forces of the United States for service in a combat zone after June 24, 1950, and prior to January 1, 1954, or for service while hospitalized as a result of such combat-zone service.* In addition to the exemptions and credits otherwise applicable, section 22 (b) (13) provides that there shall be excluded from gross income:

(a) Compensation received for active service as a member below the grade of commissioned officer in the armed forces of the United States for any month during any part of which such member (1) served in a combat zone after June 24, 1950, and prior to January 1, 1954, or (2) was hospitalized at any place as a result of wounds, disease, or injury incurred while so serving provided that during all of such month there are combatant activities in some combat zone.

(b) In the case of compensation received for active service as a commissioned officer in the armed forces of the United States for any month during any part of which such officer (1) served in a combat zone after June 24, 1950, and prior to January 1, 1954, or (2) was hospitalized at any place as a result of wounds, disease, or injury incurred while so serving provided that during all of such month there are combatant activities in some combat zone, so much of such compensation as does not exceed $200.

The exclusions under section 22 (b) (13) and this section are applicable only if active service is performed in a combat zone after June 24, 1950, and prior to January 1, 1954. Compensation is subject to exclusion whether or not it is received outside a combat zone or while the recipient is hospitalized or in a year (including a year after 1953) different from that in which the service was rendered for which the compensation is paid. Service is performed in a combat zone only if it is performed in an area which the President of the United States has designated by Executive order, for the purpose of section 22 (b) (13), as an area in which armed forces of the United States are or have (after June 24, 1950) engaged in combat, and only if it is performed on or after the date designated by the President by Executive order as the date of the commencing of combatant activities in such zone (except that the date June 25, 1950, in the combat zone designated in Executive Order 10195, shall be considered the date of the commencing of combatant activities in such zone) and on or before the date designated by the President by Executive order as the date of the termination of combatant activities in such zone. If a member of the armed forces serves in a combat zone or is hospitalized for any part of a month, he is entitled to the exclusion for such month to the same extent as if he had served in such zone, or had been hospitalized, for the entire month.

(B) By adding after the first undesignated paragraph following paragraph (b) thereof the following:

If an individual is hospitalized for a wound, disease, or injury while serving in a combat zone, the wound, disease, or injury will, unless the contrary clearly appears, be presumed to have been incurred while serving in a combat zone. In certain cases, however, a wound, disease, or injury may have been incurred while serving in a combat zone even though the individual was not hospitalized for it while so serving. And, in exceptional cases, a wound, disease, or injury will not have been incurred while serving in a combat zone even though the individual was hospitalized for it while so serving.

These principles may be illustrated by the following examples:

Example (1). An individual is hospitalized in a combat zone for a specific disease after having served in such zone for three weeks. The incubation period of such disease is from two to four weeks. Such disease was incurred while serving in the combat zone.

Example (2). The facts are the same as in example (1) except that the incubation period is one year. Such disease was not incurred while serving in the combat zone.

Example (3). A member of the Air Force, stationed outside the combat zone, is shot while participating in an aerial flight over the combat zone, but is not hospitalized until he returns to his home base. Such injury was incurred while serving in a combat zone.

Example (4). An individual is hospitalized for a specific disease three weeks after having departed from a combat zone. The incubation period of such disease is from two to four weeks. Such disease was incurred while serving in a combat zone.

An individual is hospitalized only until such time as his status as a hospital patient ceases by reason of his discharge from the hospital.

PAR. 3. There is inserted immediately following § 29.153–4, as added by Treasury Decision 5838, approved April 17, 1951, the following:

SEC. 334. ABATEMENT OF INCOME TAX FOR CERTAIN MEMBERS OF ARMED FORCES UPON DEATH (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

Supplement D of chapter 1 of the Internal Revenue Code (relating to returns and payment of tax) is hereby amended by adding at the end thereof the following new section:

SEC. 154. INCOME TAXES OF MEMBERS OF ARMED FORCES UPON DEATH.

In the case of any individual who dies after June 24, 1950, and prior to January 1, 1954, while in active service as a member of the Armed Forces of the United States, if such death occurred while serving in a combat zone (as determined under section 22 (b) (13)) or as a result of wounds, disease, or injury incurred while so serving—

(a) The tax imposed by this chapter shall not apply with respect to the taxable year in which falls the date of his death, or with respect to any prior taxable year ending on or after the first day he so served in a combat zone after June 24, 1950; and

(b) The tax under this chapter and under the corresponding title of each prior revenue law for taxable years preceding those specified in clause (a) which is unpaid at the date of his death (including interest, additions to the tax, and additional amounts) shall not be assessed, and if assessed the assessment shall be abated, and if collected shall be credited or refunded as an overpayment.

§ 29.154–1 *Abatement of income taxes of certain members of the armed forces of the United States upon death.* (a) If an individual dies after June 24, 1950, and prior to January 1, 1954, while in active service as a member of the armed forces of the United States, and such death occurs while serving in a combat zone, as determined under section 22 (b) (13), or at any place as a result of wounds, disease, or injury incurred while so serving, then

(1) The tax liability of such individual under chapter 1 for the taxable year ending on the date of his death, or for any prior taxable year ending on or after the first day he so served in a combat zone after June 24, 1950, is cancelled and if the tax (including interest, additions to the tax, and additional amounts) is assessed, the assessment shall be abated, and if the amount of such tax is collected (regardless of the date of collection) the amount so collected shall be credited or refunded as an overpayment; and

(2) That amount of tax of such individual for taxable years preceding those specified in subparagraph (1) of this paragraph under chapter 1, or corresponding provisions of prior revenue laws, which remains unpaid as of the date of death shall not be assessed, and if any such unpaid tax (including interest, additions to the tax, and additional amounts) has been assessed, such assessment shall be abated, and if the amount of any such unpaid tax is collected subsequent to the date of death, the amount so collected shall be credited or refunded as an overpayment.

(b) If such an individual and his spouse have for any such year filed a joint return, the tax abated, credited, or refunded pursuant to the provisions of section 154 for such year shall be an amount equal to that portion of the joint tax liability which is the same percentage of such joint tax liability as a tax computed upon the separate income of such individual is of the sum of the taxes computed upon the separate income of such individual and his spouse, but with respect to taxable years ending prior to June 24, 1950, and with respect to taxable years ending prior to the first day such individual served in a combat zone, as determined under section 22 (b) (13), the amount so abated, credited, or refunded shall not exceed the amount unpaid at the date of death. For such purpose, the separate tax of each spouse shall be the tax computed under chapter 1 before the application of sections 32, 35, and 322 (a), but after the application of section 31, as if such spouse were required to make a separate return.

(c) If such an individual and his spouse filed a joint declaration of estimated tax for the taxable year ending with the date of his death, the estimated tax paid pursuant to such declaration may be treated as the estimated tax of either such individual or his spouse, or may be divided between them, in such manner as his legal representative and such spouse may agree. Should they agree to treat such estimated tax, or any portion thereof, as the estimated tax of such individual, the estimated tax so paid shall be credited or refunded as an overpayment for the taxable year ending with the date of his death.

(d) For the purpose of determining the tax which is unpaid at the date of death, any amounts deducted and withheld under subchapter D of chapter 9 constitute payment of a tax imposed under chapter 1.

(e) This section shall have no application whatsoever with respect to the liability of an individual as a transferee of property of a taxpayer where such liability relates to the tax imposed upon the taxpayer by chapter 1.

(f) As to what constitutes active service as a member of the armed forces, service in a combat zone, and wounds, disease, or injury incurred while serving in a combat zone, see § 29.22 (b) (13)–2. As to who are members of the armed forces, see § 29.3797–11.

[F. R. Doc. 52–13146; Filed, Dec. 12, 1952; 8:51 a. m.]

[26 CFR Part 29]

INCOME TAX; TAXABLE YEARS BEGINNING AFTER DEC. 31, 1941

COMPUTATION OF NET INCOME; INVENTORIES UNDER ELECTIVE METHOD

Pursuant to the Administrative Procedure Act, approved June 11, 1946, a proposed revision of § 29.22 (d)–1 of Regulations 111 was published in tentative form as the appendix attached to a notice of proposed rule making published in the FEDERAL REGISTER for July 10, 1952 (17 F. R. 6200). The proposed revision of the regulations was to have been issued under the authority contained in sections 62 and 3791 of the Internal Revenue Code (53 Stat. 32, 467; 26 U. S. C. 62, 3791).

After consideration of all relevant matter presented by interested persons with respect to the proposed revision, notice is hereby given that such proposal to revise the regulations is withdrawn.

[SEAL] JOHN S. GRAHAM,
Acting Commissioner of Internal Revenue.

[F. R. Doc. 52–13161; Filed, Dec. 12, 1952; 8:56 a. m.]

[26 CFR Part 29]

INCOME TAX; TAXABLE YEARS BEGINNING AFTER DEC. 31, 1941

EARNED INCOME FROM SOURCES WITHOUT THE UNITED STATES

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in sections 62 and 3791 of the Internal Revenue Code (53 Stat. 32, 467; 26 U. S. C. 62, 3791).

[SEAL] JOHN S. GRAHAM,
Acting Commissioner of Internal Revenue.

In order to conform Regulations 111 (26 CFR Part 29) to the provisions of section 321 (relating to earned income from sources without the United States) of the Revenue Act of 1951, approved October 20, 1951, such regulations are hereby amended as follows:

PARAGRAPH 1. There is inserted immediately preceding § 29.116–1 the following:

SEC. 321. EARNED INCOME FROM SOURCES WITHOUT THE UNITED STATES [REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951].

(a) *Exclusion from gross income.* Section 116 (a) (relating to earned income from sources without the United States) is hereby amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

(1) *Bona fide resident of foreign country.* In the case of an individual citizen of the United States, who establishes to the satisfaction of the Secretary that he has been a bona fide resident of a foreign country or countries for an uninterrupted period which includes an entire taxable year, amounts received from sources without the United States (except amounts paid by the United States or any agency thereof) if such amounts constitute earned income (as defined in paragraph (3)) attributable to such period; but such individual shall not be allowed as a deduction from his gross income any deductions properly allocable to or chargeable against amounts excluded from gross income under this paragraph.

(2) *Presence in foreign country for 17 months.* In the case of an individual citizen of the United States, who during any period of 18 consecutive months is present in a foreign country or countries during at least 510 full days in such period, amounts received from sources without the United

States (except amounts paid by the United States or any agency thereof) if such amounts constitute earned income (as defined in paragraph (3)) attributable to such period; but such individual shall not be allowed as a deduction from his gross income any deductions properly allocable to or chargeable against amounts excluded from gross income under this paragraph.

* * * * *

(c) *Effective dates.* The amendment made by subsection (a) shall be applicable to taxable years beginning after December 31, 1950. * * *

PAR. 2. Section 29.116–1, as amended by Treasury Decision 5373, approved May 23, 1944, is further amended as follows:

(A) By revising so much thereof as precedes the first sentence of paragraph (a) thereof to read as follows:

§ 29.116–1 *Earned income from sources without the United States*—(a) *Resident of a foreign country.*

(B) By inserting in the first sentence thereof, immediately after "December 31, 1942,", the following: "and before January 1, 1951,".

(C) By deleting from paragraph (a) thereof the last two sentences, which commence with the words "However, once bona fide residence" and "Whether the individual citizen", respectively.

(D) By redesignating present paragraph (a) as subparagraph (1) and adding the following new subparagraphs (2) and (3):

(2) For taxable years beginning after December 31, 1950, amounts constituting earned income as defined in section 116 (a) (3) shall be excluded from gross income in the case of an individual citizen of the United States who establishes to the satisfaction of the Commissioner that he has been a bona fide resident of a foreign country or countries for an uninterrupted period which includes with with respect to such citizen an entire taxable year, if such amounts are (i) from sources without the United States, (ii) attributable to such uninterrupted period, and (iii) not paid by the United States or any agency or instrumentality thereof. The exemption from tax thus provided is applicable to such amounts as are attributable to that portion of an uninterrupted period of bona fide foreign residence which falls within a taxable year during the course of which the citizen takes up or terminates bona fide residence in a foreign country, provided that such period includes with respect to him at least one entire taxable year. If attributable to an uninterrupted period in respect of which the citizen qualifies for the exemption from tax thus provided, the amounts shall be excluded from gross income irrespective of when they are received, if received in taxable years beginning after December 31, 1950. The period during which the citizen was a bona fide resident of a foreign country or countries prior to the commencement of his first taxable year beginning after December 31, 1950, may be taken into account in determining whether such citizen has been a bona fide resident of a foreign country or countries for an uninterrupted period which includes an entire taxable year.

(3) Though the period of bona fide foreign residence must, in the application of either of the above rules, be continuous and uninterrupted, once bona fide residence in a foreign country or countries has been established, temporary visits to the United States or elsewhere on vacation or business trips will not necessarily deprive the citizen of his status as a bona fide resident of a foreign country. Whether the individual citizen of the United States is a bona fide resident of a foreign country shall be determined, to the extent applicable, by the principles of §§ 29.211–2, 29.211–3, 29.211–4, and 29.211–5, relating to what constitutes residence or nonresidence, as the case may be, in the United States in the case of an alien individual.

(E) By inserting in the first sentence of paragraph (b) thereof, immediately after "December 31, 1941,", the following: "and before January 1, 1951,".

(F) By adding at the end of paragraph (c) thereof, which commences with the words "In any case in which any amount", the following new sentence: "The apportionment and allocation of such expenses, losses, or deductions as between income from sources within, and income from sources without, the United States shall be determined in accordance with the principles of section 119 and the regulations thereunder."

(G) By redesignating present paragraphs (b) through (e) as subparagraphs (4) through (7) and adding the following new subparagraphs (8) through (10):

(8) Amounts derived from sources without the United States shall not be included in gross income solely because they are received within the United States, since the place of receipt is immaterial in determining whether amounts constituting earned income are excluded from gross income under the provisions of section 116 (a). No amounts received for services performed within the United States shall be excluded from gross income by such section. For the allocation or segregation as between sources within, and sources without, the United States in the case of compensation for labor or personal services, see section 119 and the regulations thereunder.

(9) The term "foreign country" includes only territory under the sovereignty of a government other than that of the United States. It does not include a possession or territory of the United States.

(10) If the citizen has at the due date prescribed by law or regulations for filing a return of income been a bona fide resident of a foreign country or countries for an uninterrupted period which does not include with respect to him an entire taxable year, he shall, in applying the rule applicable to taxable years beginning after December 31, 1950, include in gross income on his return all amounts received or accrued as earned income from sources without the United States which are attributable to the portion of such period covered by his return, even though such amounts may ultimately be excluded from gross income when the taxpayer has, in respect of such period, satisfied the requirement of having been a bona fide resident of a foreign country or countries for an uninterrupted period which includes an entire taxable year. Once that requirement has been satisfied and it is determined that amounts attributable to such period and previously returned as gross income are excluded therefrom pursuant to section 116 (a) (1), then a claim for refund or credit of any overpayment of tax resulting from the inclusion of such excluded amounts shall be made under the provisions of section 322. See sections 51, 53, 322, and the regulations thereunder.

(H) By adding a new paragraph (b) as follows:

(b) *Presence in a foreign country.* (1) For taxable years beginning after December 31, 1950, amounts constituting earned income as defined in section 116 (a) (3) shall be excluded from gross income in the case of an individual citizen of the United States who during any period of 18 consecutive months is present in a foreign country or countries during a total of at least 510 full days, if such amounts are (i) from sources without the United States, (ii) attributable to such period, and (iii) not paid by the United States or any agency or instrumentality thereof. If attributable to a period of 18 consecutive months in respect of which the citizen qualifies for the exemption from tax thus provided, the amounts shall be excluded from gross income irrespective of when they are received, if received in taxable years beginning after December 31, 1950. The period during which the citizen was present in a foreign country or countries prior to the commencement of his first taxable year beginning after December 31, 1950, may be taken into account in determining whether such citizen is present in a foreign country or countries during at least 510 full days during any period of 18 consecutive months.

(2) If the citizen has at the due date prescribed by law or regulations for filing a return of income been present in a foreign country or countries during a period of time, but is unable at such date in respect of such period to satisfy the requirements of section 116 (a) (2), he shall include in gross income on his return all amounts received or accrued as earned income from sources without the United States which are attributable to the portion of such period covered by his return, even though such amounts may ultimately be excluded from gross income when the taxpayer has, in respect of such period, satisfied the requirements of having been present in a foreign country or countries for a total of at least 510 full days during a period of 18 consecutive months. Once those requirements have been satisfied and it is determined that amounts attributable to such period and previously returned as gross income are excluded therefrom pursuant to section 116 (a) (2), then a claim for refund or credit of any overpayment of tax resulting from the inclusion of such excluded amounts shall be made under the provisions of section 322. See sections 51, 53, 322, and the regulations thereunder.

(3) The provisions of paragraph (a) of this section respecting the disallow-

ance of certain deductions, the definition of earned income, the source of income, and the immateriality of the place of receipt of amounts constituting earned income are equally effective in the application of this paragraph.

(4) The term "foreign country" includes only territory under the sovereignty of a government other than that of the United States. It would thus not include the high seas or a possession of the United States, but would include the territorial waters of, and the air space over, a foreign country.

(5) The exclusion provided by section 116 (a) (2) applies to income attributable to any period of 18 consecutive months during which the citizen satisfies the 510 full-day requirement, even though such period constitutes a part of a longer period of presence in a foreign country or countries. For this purpose, the term "18 consecutive months" means any period of such duration, that is, any period commencing with the beginning of any day of a calendar month and terminating (i) with the close of the day which precedes that day in the eighteenth succeeding calendar month numerically corresponding to the day of the period's beginning, or, if there is no such corresponding day, (ii) with the close of the last day of such eighteenth succeeding month. Such period need not necessarily commence with the day of arrival in a foreign country, nor terminate with the day of departure therefrom. In no event will the 510 full-day requirement be prorated over a period of less than 18 consecutive months.

(6) Thus, a citizen who arrives in a foreign country on January 1, 1952, and departs therefrom on January 1, 1955, may not be present in such country for 510 full days during the 18-month period commencing with January 1, 1952, and ending with the close of June 30, 1953, because of his visits to the United States during such period, but may satisfy the 510 full-day requirement during the 18-month period commencing with February 15, 1952, and ending with the close of August 14, 1953. In such event, the exclusion will apply to income attributable to the latter period, but not to income attributable to the period commencing with January 1, 1952, and ending with the close of February 14, 1952. Conversely, the mere fact that the 510 full-day requirement has been satisfied with respect to the period ending with the close of August 14, 1953, does not mean that income earned thereafter will be excluded under section 116 (a) (2) unless such income is attributable to another 18-month period during which there is compliance with the 510 full-day requirement.

(7) The term "full day" means, not any consecutive 24-hour period, but a continuous period of twenty-four hours commencing from midnight and ending with the following midnight. In computing the minimum of 510 full days of presence in a foreign country or countries, all separate periods of such presence during the period of 18 consecutive months are to be aggregated. The 510 full days need not be consecutive, but may be interrupted by a number of short periods during which the citizen is not present in a foreign country. Time spent in a foreign country in the employment of the United States Government will count toward satisfaction of the 510 full-day requirement, even though amounts paid by such Government are not exempt from tax under section 116 (a) (2).

Example (1). At 2 p. m. on January 18, 1952, Mr. Brown, a citizen of the United States privately employed, arrived in England on a business trip from the United States. On May 19, 1952, at 10 p. m. he departed from England by steamer and arrived in the United States on May 25, 1952. After spending a period therein on official business, he left the United States by steamer on June 9, 1952, and arrived in France at 3 p. m., June 14, 1952. At 8 a. m. on February 3, 1953, he departed from France by airplane for a brief visit to Puerto Rico, arriving there on February 4; and thence went to England, arriving there at 1 a. m. on February 12, 1953, where he remained until midnight July 18, 1953, at which time the 510 full-day requirement was satisfied in respect of the period of 18 consecutive months which began with January 19, 1952. Mr. Brown continued his presence in England, not leaving such country until 5 a. m. on November 18, 1953, at which time he departed for the United States. During the 18-month period commencing with January 19, 1952, and ending with the close of July 18, 1953, the taxpayer was in a foreign country or countries an aggregate of 510 full days; in addition, during the 18-month period commencing with June 16, 1952, and ending with the close of December 15, 1953, he was in a foreign country or countries an aggregate of 510 full days. The exemption from tax provided by section 116 (a) (2) will thus apply to the entire period which commences with January 19, 1952, and ends with the close of December 15, 1953.

Example (2). On March 6, 1952, at 3 p. m. Mr. Green, a citizen privately employed, arrived in Cuba where he remained until 9 p. m., June 25, 1952, at which time he departed from Cuba for a short business trip to Puerto Rico. Upon completion of his negotiations in that possession, he departed for Mexico, arriving there at 2 p. m. on July 24, 1952, where he remained until 10 a. m., August 22, 1953, at which time he departed from such country for a vacation in the United States. He arrived again in Mexico at 9 a. m. on September 5, 1953, where he remained until 8 a. m., January 1, 1954, at which time he departed from such country for a new assignment in the United States. During the 18-month period commencing with March 7, 1952, and ending with the close of September 6, 1953, the taxpayer was in a foreign country or countries an aggregate of 504 full days; during the 18-month period commencing with July 1, 1952, and ending with the close of December 31, 1953, he was in a foreign country an aggregate of 510 full days. The exemption from tax provided by section 116 (a) (2) will thus not apply to any part of the period beginning with March 6, 1952, and ending with the close of June 30, 1952; it will apply, if the taxpayer so desires, to the period commencing with July 1, 1952, and ending with the close of December 31, 1953.

[F. R. Doc. 52-13160; Filed, Dec. 12, 1952; 8:56 a. m.]

[26 CFR Part 40]

EXCESS PROFITS TAX; TAXABLE YEARS ENDING AFTER JUNE 30, 1950

MAXIMUM TAX FOR NEW CORPORATIONS

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 62 of the Internal Revenue Code (53 Stat. 32; 26 U. S. C. 62).

[SEAL] JOHN S. GRAHAM,
Acting Commissioner of Internal Revenue.

In order to conform Regulations 130 (26 CFR Part 40) to section 501 of the Revenue Act of 1951, approved October 20, 1951, such regulations are amended as follows:

PARAGRAPH 1. There is inserted immediately preceding § 40.430–1 the following:

SEC. 501. MAXIMUM TAX FOR NEW CORPORATIONS (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

Section 430 (relating to imposition of tax) is hereby amended as follows:

(1) By adding at the end of subsection (a) thereof, as amended by section 121 of this act, the following:

(3) In the case of a corporation for which an amount is determined for the taxable year under subsection (e), the amount determined under such subsection.

(2) By redesignating subsection (e) as subsection (f); and

(3) By inserting after subsection (d) the following new subsection:

(e) *New corporations*—(1) *Alternative amount.* In the case of a taxpayer which commenced business after July 1, 1945, and whose fifth taxable year ends after June 30, 1950, the amount referred to in subsection (a) (3) shall be—

(A) If the taxable year is the first or second taxable year of the taxpayer, an amount equal to 5 per centum of the excess profits net income for the taxable year, except that if the excess profits net income exceeds $300,000, the amount shall be the sum of $15,000 plus the amount determined under subparagraph (E) of this paragraph.

(B) If the taxable year is the third taxable year of the taxpayer, an amount equal to 8 per centum of the excess profits net income for the taxable year, except that if the excess profits net income exceeds $300,000, the amount shall be the sum of $24,000 plus the amount determined under subparagraph (E) of this paragraph.

(C) If the taxable year is the fourth taxable year of the taxpayer, an amount equal to 11 per centum of the excess profits net income for the taxable year, except that if the excess profits net income exceeds $300,000, the amount shall be the sum of $33,000 plus the amount determined under subparagraph (E) of this paragraph.

(D) If the taxable year is the fifth taxable year of the taxpayer, an amount equal to 14 per centum of the excess profits net income for the taxable year, except that if the excess profits net income exceeds $300,000, the amount shall be the sum of $42,000 plus the amount determined under subparagraph (E) of this paragraph.

(E) The amount determined under this subparagraph shall be—

(i) If the taxable year ends before April 1, 1951, an amount equal to 15 per centum of the excess of the excess profits net income for the taxable year over $300,000.

(ii) If the taxable year begins on January 1, 1951, and ends on December 31, 1951, an amount equal to 17¼ per centum of the excess of the excess profits net income for the taxable year over $300,000.

(iii) If the taxable year (other than a taxable year described in clause (ii)) ends after March 31, 1951, an amount equal to 18 per centum of the excess of the excess profits net income for the taxable year over $300,000.

(2) *First five taxable years.* For the purpose of this subsection—

(A) The taxable year in which the taxpayer commenced business and the first, second, third, and fourth succeeding taxable years shall be considered its first, second, third, fourth, and fifth taxable years, respectively.

(B) The taxpayer shall be considered to have been in existence and to have had taxable years for any period during which it or any corporation described in any clause of this subparagraph was in existence, and the taxpayer shall be considered to have commenced business on the earliest date on which it or any such corporation commenced business:

(i) Any corporation which during or prior to the taxable year was a party with the taxpayer to a transaction described in section 445 (g) (2) (A), (B), or (C), determined as if the date "July 1, 1945" were substituted for the date "December 1, 1950" in section 445 (g) (2) (C).

(ii) Any corporation if a group of not more than four persons who control the taxpayer at any time during the taxable year also controlled such corporation at any time during the period beginning twelve months preceding their acquisition of control of the taxpayer and ending with the close of the taxable year; but only if at any time during such period (and while such persons controlled such corporation) such corporation was engaged in a trade or business substantially similar to the trade or business of the taxpayer during the taxable year. For the purpose of this clause, the term "control" means the ownership of more than 50 per centum of the total combined voting power of all classes of stock entitled to vote, or more than 50 per centum of the total value of shares of all classes of stock. A person shall not be considered a member of the group referred to in this clause unless during the period referred to in this clause he owns stock in such corporation at a time when the members of the group control such corporation and he owns stock in the taxpayer at a time when the members of the group control the taxpayer. For the purpose of this clause, the ownership of stock shall be determined in accordance with the provisions of section 503, except that constructive ownership under section 503 (a) (2) shall be determined only with respect to the individual's spouse and minor children.

(iii) In case the taxpayer during or prior to the taxable year was a purchasing corporation (as defined in part IV), the selling corporation (as defined in such part) whose properties were acquired in the part IV transaction, but this clause shall not apply unless for the taxable year or for any preceding taxable year the conditions of paragraphs (1), (2), and (3) of section 474 (c) were satisfied with respect to such transaction.

(iv) Any corporation which, under regulations prescribed by the Secretary, is determined by one or more additional applications of clauses (i) to (iii) to stand indirectly in the same relation to the taxpayer as though such corporation were described in any such clause.

If as of the beginning of December 1, 1950, the adjusted basis for determining gain upon sale or exchange of the aggregate assets theretofore acquired by the taxpayer in transactions described in clauses (i) and (iii) (or acquired in the ordinary course of business in replacement of such assets) and held by it at such time constituted less than 20 per centum of the adjusted basis for determining gain upon sale or exchange of its total assets held at such time, then transactions described in such clauses occurring prior to such date shall be disregarded in determining the date as of which the taxpayer shall be considered to have commenced business.

(3) *Limitation.* The provisions of paragraph (1) of this subsection shall not apply to a taxpayer which derives more than 50 per centum of its gross income (determined without regard to dividends and without regard to gains from sales or exchanges of capital assets) for the taxable year from contracts and subcontracts to which the provisions of title I of the Renegotiation Act of 1951 (or the provisions of any prior renegotiation act) are applicable.

SEC. 523. EFFECTIVE DATE OF TITLE V (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951). Except as otherwise provided in section 506 (d), the amendments made by this title (including sec. 501) shall be applicable only with respect to taxable years ending after June 30, 1950.

PAR. 2. Section 40.430–2 is amended as follows:

(A) By striking the period at the end of subdivision (ii) of paragraph (a) (1) and inserting in lieu thereof ", or", and by adding after such subdivision (ii) the following new subdivision (iii):

(iii) In the case of a new corporation for which the excess profits tax is determined for the taxable year under section 430 (e), the amount determined under such section and under paragraph (e) of this section.

(B) By redesignating the present paragraph (e) thereof as paragraph (f).

(C) By inserting immediately following paragraph (d) thereof the following new paragraph (e):

(e) *New corporations.* (1) Section 430 (e), together with section 430 (a) (3), provides, in the case of any corporation which commenced business after July 1, 1945, for a maximum excess profits tax for any of its first five taxable years which ends after June 30, 1950. The determination of such maximum excess profits tax, which is the amount referred to in section 430 (a) (3) and in paragraph (a) of this section, depends upon the amount of the excess profits net income and upon whether the taxable year is the first, second, third, fourth, or fifth taxable year of the taxpayer. If the excess profits net income for the taxable year does not exceed $300,000, the maximum excess profits tax will be an amount equal to 5 percent of the excess profits net income for the taxable year if such taxable year is the first or second taxable year of the taxpayer; an amount equal to 8 percent of the excess profits net income if the taxable year is the third taxable year of the taxpayer; an amount equal to 11 percent of the excess profits net income if the taxable year is the fourth taxable year of the taxpayer; and an amount equal to 14 percent of the excess profits net income if the taxable year is the fifth taxable year of the taxpayer. If the excess profits net income for the taxable year exceeds $300,000, the maximum excess profits tax will be an amount equal to the sum of $15,000, if the taxable year is the first or second taxable year of the taxpayer, $24,000, if the taxable year is the third taxable year of the taxpayer, $33,000, if the taxable year is the fourth taxable year of the taxpayer, and $42,000, if the taxable year is the fifth taxable year of the taxpayer, plus, in each case, an amount equal to (i) 15 percent of the amount by which the excess profits net income for such taxable year exceeds $300,000 if the taxable year ends before April 1, 1951, or (ii) 17¼ percent of such excess if the taxable year begins on January 1, 1951, and ends on December 31, 1951 (the calendar year 1951), or (iii) 18 percent of such excess if the taxable year ends after March 31, 1951, but is not the calendar year 1951.

(2) The determination of the maximum excess profits tax, as described in subparagraph (1) of this paragraph, is shown in the following chart:

A	B	C	D
If the excess profits tax taxable year of the taxpayer is—	If excess profits net income for the taxable year does not exceed $300,000, the maximum excess profits tax is—	If excess profits net income for the taxable year exceeds $300,000, the maximum excess profits tax is—	Amount to be added to column C where excess profits net income exceeds $300,000—
The first or second taxable year.	5 percent of excess profits net income.	$15,000 plus the amount specified in column D.	(i) If the taxable year ends before Apr. 1, 1951, 15 percent of the amount by which the excess profits net income for such taxable year exceeds $300,000; or (ii) If the taxable year begins on Jan. 1, 1951, and ends on Dec. 31, 1951 (the calendar year 1951), 17¼ percent of such excess; or (iii) If the taxable year ends after Mar. 31, 1951 (except the calendar year 1951), 18 percent of such excess.
The third taxable year.	8 percent of excess profits net income.	$24,000 plus the amount specified in column D.	
The fourth taxable year.	11 percent of excess profits net income.	$33,000 plus the amount specified in column D.	
The fifth taxable year.	14 percent of excess profits net income.	$42,000 plus the amount specified in column D.	

(3) The date the corporation commenced business shall be determined for purposes of section 430 (e) and of this section under the rules provided in the regulations promulgated under section 445, relating to the computation of average base period net income in the case of new corporations. See § 40.445–1 (a) (2). The taxable year in which the taxpayer commenced business, unless the taxpayer is considered to have had an earlier constructive existence, shall be considered its first taxable year and the next four succeeding taxable years shall be considered its second, third, fourth, and fifth taxable years, respec-

tively. The taxpayer, however, shall be considered to have been in existence and to have had taxable years for any period during which any corporation described in section 430 (e) (2) (B) (i), (ii), (iii), or (iv), and in subparagraphs (5) through (8), of this paragraph, was in existence, and the taxpayer shall be considered to have commenced business on the earliest date on which it or any such corporation commenced business. See subparagraph (4) of this paragraph for the determination of constructive taxable years of the taxpayer where such other corporation came into existence prior to the date the taxpayer came into existence.

(4) If the taxpayer is deemed under the provisions of section 430 (e) (2) (B) and of this section to have been in existence prior to the date on which it in fact came into existence and to have had taxable years prior to such date, its first five taxable years for purposes of section 430 (e) and of this section shall be determined by reference to the annual accounting period first established by the taxpayer. Any 12-month period ending with the day on which such annual accounting period first established by the taxpayer ends and during all or part of which the taxpayer or any corporation described in section 430 (e) (2) (B) (i)–(iv) and in subparagraphs (5) through (8) of this paragraph was in existence shall be considered a taxable year of the taxpayer for the purpose of determining its first five taxable years. If both the taxpayer and any other such corporation were in existence during all or part of any such 12-month period, such period shall nevertheless be considered to be only one taxable year of the taxpayer. Any such 12-month period, however, shall be considered a taxable year of the taxpayer if any such other corporation was in existence during all or part of such period, even though such period, or the part thereof in which such other corporation was in existence, did not constitute a taxable year of such other corporation. The rule set forth in this paragraph may be illustrated by the following examples:

Examples. (i) Corporation A came into existence and commenced business on April 1, 1947. It adopted the calendar year as its annual accounting period and filed income tax returns for the period April 1, 1947, through December 31, 1947, and for the calendar year 1948. Corporation A was dissolved on June 30, 1949, and an income tax return was filed for the period January 1, 1949, through June 30, 1949. Corporation B came into existence and commenced business on July 1, 1949. Corporation B likewise adopted the calendar year as its annual accounting period and filed income tax returns for the period July 1, 1949, through December 31, 1949, and also for the calendar year 1950 and subsequent calendar years. By reason of a transaction described in section 430 (e) (2) (B), Corporation B is deemed for purposes of section 430 (e) and of this subsection to have commenced business on April 1, 1947, the date Corporation A commenced business, and to have been in existence and to have had taxable years since that date. Since Corporation B first adopted the calendar year as its annual accounting period, any 12-month period ending on December 31 during which either Corporation B or Corporation A was in existence will constitute a taxable year of Corporation B. Since Corporation A came into existence on April 1, 1947, it was in existence during part of the 12-month period January 1, 1947, through December 31, 1947, and such 12-month period will be deemed to be the first taxable year of Corporation B for purposes of section 430 (e) and of this subsection. Corporation A was in existence during the whole 12-month period January 1, 1948, through December 31, 1948, and such period will be deemed to be the second taxable year of Corporation B. Corporation A was in existence during part of the 12-month period January 1, 1949, through December 31, 1949, and Corporation B also was in existence during part of such period. The 12-month period January 1, 1949, through December 31, 1949, accordingly will be considered to be a taxable year of Corporation B and will be its third taxable year for purposes of section 430 (e) and of this subsection. The calendar years 1950 and 1951 will be the fourth and fifth taxable years, respectively, of Corporation B. It is to be noted that the 12-month period January 1, 1949, through December 31, 1949, is deemed to be one taxable year of Corporation B even though both Corporation A and Corporation B were in existence during part of such period and even though Corporation A filed an income tax return for the period January 1, 1949, through June 30, 1949, and Corporation B filed an income tax return for the period July 1, 1949, through December 31, 1949. It is to be further noted that in this example the 12-month period January 1, 1949, through December 31, 1949, would constitute one taxable year of Corporation B even though Corporation A had not been dissolved on June 30, 1949, but had continued in existence until after December 31, 1949.

(ii) Assume in the above example that when Corporation A came into existence and commenced business on April 1, 1947, it adopted the fiscal year ending March 31 as its annual accounting period and filed income tax returns for the fiscal years April 1, 1947, through March 31, 1948, and April 1, 1948, through March 31, 1949, and also an income tax return for the period April 1, 1949, through June 30, 1949. Since Corporation B first adopted the calendar year as its annual accounting period, Corporation B's first five taxable years must be determined by reference to the 12-month periods ending on December 31. Corporation A came into existence on April 1, 1947, and accordingly was in existence during part of the 12-month period January 1, 1947, through December 31, 1947. Such 12-month period January 1, 1947, through December 31, 1947, accordingly will be deemed to be the first taxable year of Corporation B for purposes of section 430 (e) and of this subsection even though the period April 1, 1947, through December 31, 1947, did not constitute a taxable year of Corporation A. Similarly, the 12-month period January 1, 1948, through December 31, 1948, will be deemed to be the second taxable year of Corporation B even though such 12-month period did not constitute a taxable year of Corporation A. The 12-month periods January 1, 1949, through December 31, 1949, January 1, 1950, through December 31, 1950, and January 1, 1951, through December 31, 1951, will be deemed to be Corporation B's third, fourth, and fifth taxable years, respectively.

(5) (i) If any corporation during or prior to the taxable year for which the excess profits tax is being determined was a party with the taxpayer to a transaction described in section 445 (g) (2) (A), (B), or (C), determined as if the date "July 1, 1945" were substituted for the date "December 1, 1950" in section 445 (g) (2) (C), and if such other corporation had commenced business prior to the date on which the taxpayer commenced business, then the taxpayer, under the provisions of section 430 (e) (2) (B) (i), shall be deemed to have commenced business on the date such other corporation commenced business. The taxpayer shall also be considered to have been in existence during the whole period such other corporation was in existence and to have had taxable years during such period as determined under the provisions of subparagraph (4) of this paragraph. For limitation on the application of section 430 (e) (2) (B) (i) in certain cases, see subparagraph (9) of this paragraph.

(ii) The provisions of section 430 (e) (2) (B) (i) and of subdivision (i) of this subparagraph are applicable only if the party to the transaction with the taxpayer was a corporation. They do not apply, for example, where such party was an individual or a partnership. Thus, if an individual who has been operating a certain business as a sole proprietorship incorporates such business and transfers all the assets of the business to a newly formed corporation in a transaction which qualifies as a section 112 (b) (5) transaction, the newly formed corporation will not be deemed to have been in existence during the prior period when the individual was conducting the business as a sole proprietorship nor will the corporation be deemed to have had taxable years during such prior period.

(6) (i) If a group of not more than four persons control the taxpayer at any time during the taxable year for which the excess profits tax is being determined and if this same group of not more than four persons at any time during the period beginning 12 months prior to its acquisition of control of the taxpayer and ending with the close of such taxable year also controlled a second corporation which at some time during such period (and while the group controlled such second corporation) was engaged in a trade or business substantially similar to the trade or business carried on by the taxpayer during such taxable year, then under the provisions of section 430 (e) (2) (B) (ii) the taxpayer will be deemed to have commenced business on the date on which it itself commenced business or on the date on which such second corporation commenced business, whichever is the earlier. If the second corporation commenced business on a date prior to that on which the taxpayer commenced business, the taxpayer for purposes of section 430 (e) and of this section will also be deemed to have been in existence for the entire period during which such second corporation was in existence and to have had taxable years during such period as determined under the provisions of subparagraph (4) of this paragraph.

(ii) For purposes of section 430 (e) (2) (B) (ii) and of subdivision (i) of this subparagraph a group of not more than four persons will be deemed to control the taxpayer or any other corporation if, and only if, the total stock ownership of such persons in the taxpayer or such other corporation represents more than 50 percent of the total combined voting power of all classes of stock entitled to vote or more than 50 percent

of the total value of the shares of all classes of stock. For purposes of section 430 (e) (2) (B) (ii) and of this subdivision the ownership of stock shall be determined in accordance with the provisions of section 503, except that constructive ownership under section 503 (a) (2) shall be determined only with respect to the individual's spouse and minor children. A person will not be considered to be a member of the group of not more than four persons which controls the taxpayer at some time during the taxable year and which also controlled a second corporation at some time during the period referred to in section 430 (e) (2) (B) (ii) and in subdivision (i) of this subparagraph unless such person owned stock in the taxpayer at the time the group controlled the taxpayer during the taxable year and also owned stock in the second corporation at the time the group controlled such second corporation during the prescribed period. The individual does not have to own the same percentage of stock in the taxpayer as in the second corporation, but the individual must own some stock in the corporation at the time the group controls such corporation. It is not necessary for the group to control the taxpayer and second corporation at the same time. If the group controlled the taxpayer at any time during the taxable year for which the excess profits tax is being determined and if the same group also controlled the second corporation at some time during the prescribed period, then the requirements of control provided in section 430 (e) (2) (B) (ii) will be met without regard to whether the group controlled the two corporations at the same time or at different times.

(iii) Whether or not the second corporation, at the time it was controlled by the group, was engaged in a trade or business substantially similar to the trade or business carried on by the taxpayer during the taxable year is a question of fact which must be determined in each particular case in the light of all the circumstances of that case.

(7) (i) If during or prior to the taxable year for which the excess profits tax is being determined the taxpayer was a purchasing corporation in a part IV transaction and if the selling corporation in such part IV transaction had commenced business on a date prior to that on which the taxpayer commenced business, then the taxpayer, under the provisions of section 430 (e) (2) (B) (iii), shall be deemed to have commenced business on the date such selling corporation commenced business. The taxpayer shall also be considered to have been in existence during the whole period such selling corporation was in existence and to have had taxable years during such period as determined under the provisions of subparagraph (4) of this paragraph. The provisions of section 430 (e) (2) (B) (iii) and of this subdivision shall not be applicable, however, unless for the taxable year or any preceding taxable year the conditions of paragraphs (1), (2), and (3) of section 474 (c) were satisfied with respect to the part IV transaction. For limitation on the application of section 430 (e) (2) (B) (iii) in certain cases, see subparagraph (9) of this paragraph.

(ii) The terms "purchasing corporation" and "selling corporation" have the same meaning for purposes of section 430 (e) (2) (B) (iii) as for purposes of part IV. Since an individual operating a business as a sole proprietorship or a partnership, under certain circumstances, can be a selling corporation under part IV, such an individual or partnership, unlike the situation with respect to a transaction described in section 430 (e) (2) (B) (i), can likewise be considered to be a corporation for purposes of section 430 (e) (2) (B) (iii). If the taxpayer acquires assets from a sole proprietorship or from a partnership in a part IV transaction and if the sole proprietorship or the partnership constitutes a selling corporation under part IV, then the taxpayer will be deemed to have commenced business on the date the sole proprietorship or partnership commenced business, provided such date is prior to that on which the taxpayer itself commenced business, and to have been in existence and to have had taxable years, as determined under subparagraph (4) of this paragraph, during all of such prior period.

(8) Section 430 (e) (2) (B) (iv) provides that the three clauses in section 430 (e) (2) (B) (i), (ii), and (iii) may be applied several times to determine when the taxpayer commenced business and what are its first five taxable years. Thus, if the taxpayer under section 430 (e) (2) (B) (iii), for example, is deemed to have commenced business on the date Corporation A commenced business and to have been in existence and to have had taxable years during the period Corporation A was in existence, and if Corporation A under section 430 (e) (2) (B) (i) in turn would be deemed to have commenced business on the date Corporation B had commenced business and to have been in existence and to have had taxable years during the period Corporation B was in existence, then the taxpayer, for purposes of section 430 (e) and of this section, shall be deemed to have commenced business on the date Corporation B commenced business and to have been in existence and to have had taxable years during the entire period beginning with the date Corporation B came into existence. The taxpayer's first five taxable years accordingly will be determined, under the provisions of subparagraph (4) of this paragraph, by reference to the date on which Corporation B came into existence. It is immaterial that the taxpayer had no direct relationship with Corporation B. It is sufficient that Corporation B stands indirectly in the same relationship to the taxpayer as if it were a corporation described in one of the three clauses in section 430 (e) (2) (B) (i), (ii), or (iii). It is immaterial which of the clauses in section 430 (e) (2) (B) (i), (ii), (iii) are to be applied, or how many times they are to be applied, or in what order. The taxpayer shall be considered to have commenced business and its first five taxable years will be determined by reference to that corporation which first came into existence and commenced business and with which the taxpayer directly or indirectly stands in a relationship described in any of the three clauses in section 430 (e) (2) (B) (i), (ii), or (iii).

(9) If as of the beginning of December 1, 1950, the adjusted basis for determining gain upon the sale or exchange of the aggregate assets which had been acquired prior to that date by the taxpayer in one or more transactions described in section 430 (e) (2) (B) (i) or in section 430 (e) (2) (B) (iii) (or acquired in the ordinary course of business in replacement of such assets) and which were held by it at such time constituted less than 20 percent of the adjusted basis for determining gain upon sale or exchange of all the assets held by the taxpayer at such time, then such transactions shall be disregarded in determining the date as of which the taxpayer shall be considered to have commenced business and also in determining the first five taxable years of the taxpayer. The provisions of this subparagraph are applicable only to transactions which occurred prior to December 1, 1950, but have no application to any transaction which occurred on or after December 1, 1950.

(10) The maximum excess profits tax provided in section 430 (e) (1) and in this section shall not be available to a taxpayer which derives more than 50 percent of its gross income (determined without regard to dividends and without regard to gains from sales or exchanges of capital assets) for the taxable year for which the excess profits tax is being determined from contracts or subcontracts to which the provisions of title I of the Renegotiation Act of 1951 (or the provisions of any prior renegotiation act) are applicable. In determining whether the taxpayer has derived more than 50 percent of its income from contracts or subcontracts which are subject to renegotiation, all income from contracts or subcontracts which are the type of contracts or subcontracts that are subject to renegotiation must be taken into account without regard to whether a particular contract or subcontract is in fact renegotiated or whether the applicable statute in effect exempts the receipts and accruals of the particular contract or subcontract from renegotiation. Thus, the determination whether a taxpayer has derived more than 50 percent of its gross income from contracts and subcontracts which are subject to renegotiation shall be made without regard to the provisions of the Renegotiation Act of 1951 which exempt from renegotiation receipts and accruals of less than $250,000 in any taxable year. If a taxpayer, for example, had gross income for the taxable year of $200,000 of which $150,000 was derived from a contract of a type which is subject to renegotiation under title I of the Renegotiation Act of 1951, such taxpayer would not be eligible for the benefits of the maximum excess profits tax provided in section 430 (e) (1) since 75 percent of its gross income for the taxable year was derived from a contract of a type that is subject to renegotiation under title I of the Renegotiation Act of 1951

even though the $150,000 received from such contract in fact is exempt from renegotiation under the provisions of such act.

[F. R. Doc. 52-13165; Filed, Dec. 12, 1952; 8:57 a. m.]

[26 CFR Part 40]

Excess Profits Taxes; Taxable Years Ending After June 30, 1950

Television Broadcasting Companies

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth below in tentative form are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the Federal Register. The proposed regulations are to be issued under the authority contained in section 62 of the Internal Revenue Code (53 Stat. 32; 26 U. S. C. 62) and in section 459 (d) of the Internal Revenue Code as added by section 519 of the Revenue Act of 1951 (Pub. Law 183, 82d Cong., approved October 20, 1951).

[SEAL] John S. Graham,
Acting Commissioner of Internal Revenue.

In order to conform Regulations 130 (26 CFR, Part 40) to section 519 of the Revenue Act of 1951, approved October 20, 1951, such regulations are amended as follows:

Paragraph 1. Section 40.435-6 (a) (1) is amended by inserting at the end thereof the following new sentence: "In the case of a taxpayer engaged in the television broadcasting business which computes its average base period net income under section 459 (d), see § 40.459 (d)-5 (c)."

Par. 2. Section 40.435-7 (a) (2) is amended by inserting at the end thereof the following new sentence: "For rules applicable in the case of a taxpayer engaged in the television broadcasting business which computes its average base period net income under section 459 (d), see § 40.459 (d)-5 (d)."

Par. 3. There is inserted immediately after § 40.458-8 the following:

Sec. 519. Television broadcasting companies (Revenue Act of 1951, approved October 20, 1951)

Section 459, as added by sections 516 to 518 of this Act, is hereby amended by adding after subsection (c) thereof the following new subsections:

(d) *Television broadcasting companies*—(1) *In general.* In the case of a taxpayer engaged in the business of television broadcasting throughout a period beginning before January 1, 1951, and ending with the close of the taxable year, the taxpayer's average base period net income determined under this subsection shall be the amount computed under paragraph (2) or (3), whichever is applicable.

(2) *If engaged in television broadcasting at close of base period.* If the taxpayer was engaged in the business of television broadcasting at the close of its base period, the average base period net income computed under this paragraph shall be computed as follows:

(A) If the taxpayer was engaged during its base period in any business or businesses other than television broadcasting, by computing the average base period net income under section 435 (d) for such other business or businesses (determined without regard to income, deductions, losses, or other items attributable to the television broadcasting business).

(B) By multiplying such part of its total assets (as defined in section 442 (f)) for the last day of its base period, as was attributable to the television broadcasting business by—

(i) The base period rate of return determined under section 447 (c) for the industry classification which includes radio broadcasting, or

(ii) If the taxpayer was engaged during its base period in the business of radio broadcasting, its individual rate of return computed under paragraph (4),

whichever rate of return produces the greater average base period net income under this subsection. If the amount computed under this subparagraph is computed by the use of the rate of return specified in clause (i), the amount so computed shall be reduced by an amount equal to such portion of the total interest paid or incurred by the taxpayer, for the period of 12 months following the close of its base period, as is attributable to its television broadcasting business.

(C) By adding the amount computed under subparagraph (B) to the amount, if any, computed under subparagraph (A).

(3) *Commencing television broadcasting after base period and before 1951.* If the taxpayer acquires its television broadcasting business after the close of its base period and before January 1, 1951, the average base period net income computed under this paragraph shall be computed as provided in paragraph (2), except that—

(A) the applicable rate of return under paragraph (2) (B) shall be multiplied by such part of its total assets (as defined in section 442 (f)), for the last day of the calendar month in which it first engaged in such business, as was attributable to such business, and

(B) the reduction specified in the last sentence of paragraph (2) (B) shall, if applicable, be equal to such portion of the total interest paid or incurred by the taxpayer, for the period of 12 months following the month in which it first engaged in such business, as is attributable to such business.

(4) *Individual rate of return.* The individual rate of return shall be computed as follows:

(A) By determining the amount of the taxpayer's total assets (as defined in section 442 (f) attributable to the business of radio broadcasting for the last day of each month in its base period.

(B) By computing the aggregate of the amounts ascertained under subparagraph (A) and dividing by 48.

(C) By computing for each month in the base period the excess profits net income of the radio broadcasting business (determined without regard to income, deductions, losses, or other items attributable to any other business), by adding such amounts for all of the months in the base period, and by dividing by 4.

(D) By dividing the amount computed under subparagraph (C) by the amount computed under subparagraph (B).

(5) *Rules for application of subsection.* (A) For the purpose of section 435 (a) (1) (B), an average base period net income determined under this subsection shall be considered an average base period net income determined under section 435 (d); but, in computing the base period capital addition under section 435 (f), the computations under such section shall be adjusted, under regulations prescribed by the Secretary, so as to exclude therefrom items attributable to the television broadcasting business.

(B) If any part of the total assets referred to in paragraph (2) (B) or paragraph (3) (A), whichever is applicable, were acquired, directly or indirectly, through the use of assets attributable at any time during the base period to a business of the taxpayer other than television broadcasting, the amount determined under paragraph (2) (A) shall be properly adjusted by eliminating from the excess profits net income (computed for the purpose of paragraph (2) (A)) for each month prior to such acquisition such portion thereof as is attributable to the assets used, directly or indirectly, for such acquisition. For the purpose of this subparagraph, the excess profits net income for any month shall be attributed to such assets on the basis of the ratio, as of the beginning of the day of the acquisition, of such assets to total assets (as defined in section 442 (f)) determined without regard to assets attributable to the television broadcasting business.

(C) The Secretary shall by regulations prescribe rules for the application of this subsection, including rules for the computation of the taxpayer's net capital addition or reduction.

* * * * *

Sec. 523. Effective date of title V (Revenue Act of 1951, approved October 20, 1951).

Except as otherwise provided in section 506 (d), the amendments made by this title (including sec. 519) shall be applicable only with respect to taxable years ending after June 30, 1950.

§ 40.459 (d)-1 *Television broadcasting companies; in general.* (a) A corporation which was engaged in the business of television broadcasting throughout a period beginning before January 1, 1951, and ending with the close of an excess profits tax taxable year may compute its average base period net income for the purpose of determining its excess profits tax for such taxable year under section 459 (d) instead of under any other applicable provision of the Code. The average base period net income computed under section 459 (d) shall be the amount computed under paragraph (2) of section 459 (d) and under § 40.459 (d)-2 if the taxpayer was engaged in the business of television broadcasting at the end of its base period, and shall be the amount computed under paragraph (3) of section 459 (d) and under § 40.459 (d)-3 if the taxpayer did not acquire its television broadcasting business until after the close of its base period. In no event shall the benefit of section 459 (d) be available, however, unless the taxpayer was engaged in the television broadcasting business before January 1, 1951. The amount determined as the average base period net income under section 459 (d) shall be used as the average base period net income in computing the excess profits tax for any taxable year ending after June 30, 1950, if the taxpayer continued in the business of television broadcasting through the end of such taxable year, and if the use of such amount computed under section 459 (d) as the average

base period net income would result in a lesser excess profits tax for such taxable year than would result under any other allowable computation of such tax.

(b) A taxpayer which does not actually broadcast television will not be considered to be engaged in the television broadcasting business even though it is engaged in a business which is related to television broadcasting, such as advertising, the manufacturing of television equipment, or the preparation and sale of television programs. A taxpayer which is engaged in the television broadcasting business and also in any other business or businesses, however, may be entitled to the benefit of section 459 (b).

§ 40.459 (d)–2 *Computation of average base period net income if taxpayer was engaged in television broadcasting at close of base period.* If the taxpayer was engaged in the business of television broadcasting at the close of its base period, its average base period net income determined under section 459 (d) shall be computed as follows:

(a) If the taxpayer was engaged during its base period in any business or businesses other than television broadcasting, its average base period net income for such other business or businesses shall be computed under section 435 (d) and § 40.435–1 (d), relating to the computation of average base period net income under the general average method. The determination of the average base period net income of such business or businesses other than television broadcasting shall be made without regard to any income, deductions, losses, or other items which are attributable to the television broadcasting business. See § 40.459 (d)–5 (a). If the taxpayer was not engaged during its base period in any business other than television broadcasting, the amount determined under this subparagraph shall be zero. See § 40.459 (d)–5 (b) for adjustment of the amount computed under this subparagraph where assets attributable to the television broadcasting business were acquired, directly or indirectly, through the use of assets attributable at any time during the base period to a business other than the television broadcasting business.

(b) Such part of the taxpayer's total assets for the last day of its base period as was attributable to the television broadcasting business shall be multiplied:

(1) By the base period rate of return determined under section 447 (c) for the industry classification which includes radio broadcasting, and the amount so determined shall then be reduced by an amount equal to such portion of the total interest paid or incurred by the taxpayer for the period of 12 months following the close of its base period as is attributable to its television broadcasting business, or

(2) If the taxpayer was engaged during its base period in the business of radio broadcasting, by its individual rate of return computed under section 459 (d) (4) and § 40.459 (d)–4,

whichever produces the greater average base period net income under section 459 (d) and this section.

(c) The amount, if any, computed under section 459 (d) (2) (A) and paragraph (a) of this section shall be added to the amount computed under section 459 (d) (2) (B) and paragraph (b) of this section.

The amount determined under paragraph (c) of this section—that is, the total of the amounts determined under paragraphs (a) and (b) of this section—shall be the average base period net income computed under section 459 (d) of a taxpayer which was engaged in the television broadcasting business at the close of its base period.

§ 40.459 (d)–3 *Computation of average base period net income if taxpayer commenced television broadcasting after close of base period and before 1951.* If the taxpayer did not acquire its television broadcasting business until after the close of its base period (but before January 1, 1951), its average base period net income determined under section 459 (d) shall be computed in the same manner as provided in section 459 (d) (2) and § 40.459 (d)–2 as in the case of a taxpayer which was engaged in the television broadcasting business at the close of its base period, except that:

(a) The applicable rate of return specified in section 459 (d) (2) (B) and § 40.459 (d)–2 (b) shall be multiplied by such part of the taxpayer's total assets for the last day of the calendar month in which it first engaged in the television broadcasting business (instead of for the last day of its base period) as was attributable to such television broadcasting business; and

(b) The reduction for interest specified in the last sentence of section 459 (d) (2) (B) and in § 40.459 (d)–2 (b) (1) shall, if applicable, be equal to that portion of the total interest paid or incurred by the taxpayer for the period of 12 months following the month in which it first engaged in the television broadcasting business (instead of for the period of 12 months following the close of its base period) as is attributable to such television broadcasting business.

§ 40.459 (d)–4 *Individual rate of return.* The individual rate of return, for the purpose of the computations provided in sections 459 (d) (2) (B) (ii) and § 40.459 (d)–2 (b) (2) and in sections 459 (d) (3) (A) and § 40.459 (d)–3 (a), in the case of a taxpayer which was engaged in the business of radio broadcasting during its base period, shall be computed as follows:

(a) The taxpayer's total assets attributable to its radio broadcasting business for the last day of each month in its base period shall be determined. See § 40.459 (d)–5 (a) for rules for the determination of the business to which assets are attributable.

(b) The amounts determined under paragraph (a) of this section shall be added together and the aggregate divided by 48.

(c) The excess profits net income for each month in the base period attributable to the radio broadcasting business shall be computed, such excess profits net income being determined without regard to income, deductions, losses, or any other items attributable to any business other than the radio broadcasting business (see § 40.459 (d)–5 (a)). Such amounts of excess profits net income attributable to the radio broadcasting business for each month in the base period shall be added together and the total of such amounts then divided by 4.

(d) The amount computed under paragraph (c) of this section shall be divided by the amount computed under paragraph (b) of this section. That is, the aggregate, divided by 4, of the excess profits net income attributable to the radio broadcasting business for each month in the base period shall be divided by the aggregate, divided by 48, of the taxpayer's total assets attributable to the radio broadcasting business for the last day of each month in the base period. The resulting figure shall be the taxpayer's individual rate of return.

§ 40.459 (d)–5 *Rules for application of section 459 (d).*—(a) *Determination of business to which items are attributable.* The determination, for the purpose of section 459 (d) and §§ 40.459 (d)–1 through 40.459 (d)–5, whether any income, deductions, losses, interest, assets, or any other items are attributable to the television broadcasting business, to the radio broadcasting business, or to any other business activity shall be made in such manner as will clearly reflect the income attributable to each such business or activity, and, in the case of assets, will reflect the extent to which assets are used in, or devoted to, the businesses or activities of the taxpayer. Administrative expenses, for example, in the case of a taxpayer which is engaged in the television broadcasting business and also in some other business or businesses may not be attributed to any one business but shall be properly allocated among the various businesses of the taxpayer. If an asset is used in or devoted to the television broadcasting business, or the radio broadcasting business, and also some other business or activity, such asset shall not be included at an amount equal to its full adjusted basis in determining at any time the total assets of the taxpayer which are attributable, as the case may be, to the television broadcasting business or to the radio broadcasting business. In such case, proper adjustment shall be made to reflect the fact that such asset directly or indirectly is used in or devoted to, or is part of, the television broadcasting business, the radio broadcasting business, or some other business or activity. Similarly, proper adjustment shall also be made in the case of any other items (including, for example, interest) as are attributable to more than one business or activity.

(b) *Adjustment of average base period net income of business other than television broadcasting business.* (1) If any part of the total assets attributable to the television broadcasting business which were held by the taxpayer on the date as of which the applicable rate of return is to be applied to its television broadcasting assets was acquired directly or indirectly, through the use of assets which were attributable at any time during the base period to a business of the taxpayer other than the television

broadcasting business (see paragraph (3) of this paragraph), an adjustment, as provided in section 459 (d) (5) (B) and in subparagraph (2) of this paragraph, must be made in determining under section 459 (d) (2) (A) the average base period net income, if any, of the taxpayer's nontelevision broadcasting business or businesses. The conversion in whole of in part of assets attributable to a business other than the television broadcasting business to use in the television broadcasting business shall be considered for the purpose of section 459 (d) and of this section, to the extent of such conversion, to be an acquisition of television broadcasting assets by the use of assets attributable to a business of the taxpayer other than its television broadcasting business.

(2) If an adjustment is required under the provisions of section 459 (d) (5) (B) and of subparagraph (1) of this paragraph, with respect to any acquisition of assets attributable to the television broadcasting business, then in determining the average base period net income under section 459 (d) (2) (A) of such nontelevision broadcasting business or businesses there shall be excluded from the excess profits net income for each month prior to any such acquisition such portion of such excess profits net income as is attributable to the assets used, directly or indirectly, for such acquisition. In determining the amount which is to be excluded from the excess profits net income for any month, under the provisions of section 459 (d) (5) (B) and of this paragraph, the part of the excess profits net income attributable to any assets which were used, directly or indirectly, to acquire assets attributable to the television broadcasting business shall be determined on the basis of the ratio, as of the beginning of the date of acquisition, of such assets which were so used to the total assets of the taxpayer other than its assets attributable to the television broadcasting business. If the acquisition took place on any day other than the first day of a calendar month, the adjustment for the month in which the acquisition took place shall be reduced to an amount determined on the basis of the ratio of the number of days in such month prior to the day on which the acquisition was made to the total number of days in such month.

(3) The adjustment provided in section 459 (d) (5) (B) and in this subsection shall be made in any case in which assets of the taxpayer not attributable to its television broadcasting business are used, directly or indirectly, to acquire assets attributable to the television broadcasting business prior to the date as of which the applicable rate of return is to be applied to its television broadcasting assets. No such adjustment shall be made, however, where such television broadcasting assets were acquired through a bona fide long-term increase in the capital structure of the taxpayer made in conjunction with and for the purpose of such acquisition. A bona fide long-term increase in the capital structure within the meaning of this paragraph (whether an increase in equity capital or in borrowed capital as defined in section 439 (b)) shall be deemed to have occurred only to the extent that such increase is reflected in the capital structure throughout the period beginning with the time such increase was originally made and ending with the close of the taxable year for which the tax is being computed. For the purpose of determining whether such increase is reflected in the capital structure, proper adjustment shall be made to eliminate the effect of any loss occurring after the original increase is made, and, in the case of such determination as of any time during a taxable year, the determination shall be made without regard to the earnings and profits of such taxable year. If the increase in the capital structure is the result of a Part II transaction, this paragraph and § 40.462–9 (b) (1) (ii) shall be applied in the light of the facts applicable both to the taxpayer and to the component corporation in such transaction. For the purpose of this paragraph, an increase in the capital structure does not result from the conversion of inadmissible assets into admissible assets or from the accumulation of earnings and profits prior to the beginning of the first taxable year which begins after the date of the acquisition. If the assets of the television broadcasting business were acquired partly in the manner described in this paragraph and partly in another manner the adjustment shall be made to the extent the acquisition was made in such other manner.

(c) *Computation of base period capital addition.* The average base period net income under section 459 (d) shall be considered, for the purpose of section 435 (a) (1) (B), to be an average base period net income computed under section 435 (d) which provides for the computation of the average base period net income under the general average method. The base period capital addition provided in section 435 (f) accordingly will be allowed in any case in which the average base period net income computed under section 459 (d) is used in determining the excess profits tax for any excess profits tax taxable year, but such base period capital addition shall be allowed only with respect to the taxpayer's business or businesses other than its television broadcasting business. The following rules shall be applicable in computing the base period capital addition in the case of a taxpayer which computes its average base period net income under section 459 (d):

(1) In computing the yearly base period capital as of any day, there shall be excluded from each item in the computation (such as assets, liabilities, borrowed capital, or the adjustment for interest) any amount attributable or allocable to the assets of the television broadcasting business held on such day (including funds held for the purpose of acquiring television broadcasting assets).

(2) If an adjustment is required to be made under section 459 (d) (5) (B) with respect to assets of the taxpayer used directly or indirectly to acquire television broadcasting assets, the amount of the adjusted basis of assets with respect to which such adjustment is required shall be excluded from assets of the taxpayer in computing equity capital as of any day prior to such acquisition. Such further adjustments shall be made in computing other items (such as liabilities, borrowed capital, or the adjustment for interest) in the determination of yearly base period capital as of such day as are, under generally accepted accounting principles, consistent with the elimination of such amount from total assets.

(3) In making computations necessary for the determination of yearly base period capital for any taxable year, such computations shall be made, under the rules and principles set forth in paragraph (a) of this section, in the light of all the facts of the particular case and consistent with the purpose of restricting the base period capital addition to the business or activities of the taxpayer other than its television broadcasting business and the avoidance of any duplication in the computation of such base period capital addition.

(d) *Computation of net capital addition or reduction.* (1) In the case of a taxpayer which was engaged in the business of television broadcasting at the close of its base period, the net capital addition or reduction, provided in section 435 (g), shall be computed in the same manner as in the case of any taxpayer which computes its average base period net income under the general average method provided in section 435 (d). See §§ 40.437–6 and 40.437–7.

(2) In the case of a taxpayer which did not acquire its television broadcasting business until after the close of its base period (but before January 1, 1951), the net capital addition or reduction, provided in section 435 (g), shall be determined in the same manner as in the case of any taxpayer which computes its average base period net income under the general average method provided in section 435 (d) (see §§ 40.437–6 and 40.437–7), except that the following adjustment shall be made:

(i) There shall be determined the amount of any proceeds obtained from borrowing, from the issuance of capital stock, as paid-in surplus, as a contribution to capital, or in any other manner, on or after the first day of the taxpayer's first taxable year ending after June 30, 1950, and before the first day of the first calendar month following the calendar month in which the taxpayer first engaged in the television broadcasting business.

(ii) There shall be determined the excess of (*a*) the amount of the taxpayer's assets attributable to the television broadcasting business as of the last day of the calendar month in which the taxpayer first engaged in the television broadcasting business over (*b*) the amount of the taxpayer's assets with respect to which an adjustment is required under the provisions of section 459 (d) (5) (B) and of paragraph (b) of this section.

(iii) The amount determined under subdivision (i) of this subparagraph, but not more than the amount determined under subdivision (ii) of this subparagraph, shall be considered, for the purpose of any computations necessary for the determination of the net capital addition or reduction, to have been ob-

tained prior to the first day of the taxpayer's first taxable year ending after June 30, 1950.

§ 40.459 (d)–6 *Definitions.* For the purpose of section 459 (d) and §§ 40.459 (d)–1 through 40.459 (d)–5:

(a) The term "total assets" shall have the same meaning as in sections 442 (f) and § 40.442–3 (d) (1).

(b) The "amount of an asset" in the case of property other than money shall be an amount equal to the adjusted basis of such property for determining gain on the sale or exchange thereof, and in the case of money shall be the amount thereof.

SEC. 519. TELEVISION BROADCASTING COMPANIES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

Section 459, as added by sections 516 to 518 of this Act, is hereby amended by adding after subsection (c) thereof the following new subsections:

* * * * *

(e) *Basis of assets.* For the purposes of this section, any reference to the adjusted basis of property or to the basis (unadjusted) of property means the adjusted basis or the basis (unadjusted), as the case may be, for determining gain upon sale or exchange.

SEC. 523. EFFECTIVE DATE OF TITLE V (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

Except as otherwise provided in section 506 (d), the amendments made by this title [including sec. 519] shall be applicable only with respect to taxable years ending after June 30, 1950.

§ 40.459 (e)–1 *Basis of assets.* For the purpose of section 459 (including all subsections thereof) and the regulations thereunder, any reference to the adjusted basis of property or to the basis (unadjusted) of property means the adjusted basis or the basis (unadjusted), as the case may be, of such property for determining gain upon the sale or exchange thereof.

[F. R. Doc. 52–13164; Filed, Dec. 12, 1952; 8:57 a. m.]

[26 CFR Part 40]

EXCESS PROFITS TAX; TAXABLE YEARS ENDING AFTER JUNE 30, 1950

CLARIFICATION OF TREATMENT OF TAXPAYER'S LIABILITY FOR FEDERAL INCOME AND EXCESS PROFITS TAX FOR PURPOSE OF DETERMINING BOTH EQUITY CAPITAL AND EQUITY INVESTED CAPITAL

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in sections 62 and 3791 of the Internal Revenue Code (53 Stat. 32, 467; 26 U. S. C. 62, 3791).

[SEAL] JOHN S. GRAHAM,
Acting Commissioner of Internal Revenue.

Regulations 130 (26 CFR Part 40) are amended as follows:

PARAGRAPH 1. Section 40.437–5 is amended by redesignating paragraph (c) of such section as paragraph (c) (1), and by adding at the end of such section the following new subparagraph (2);

(2) In computing liabilities as of the beginning of the taxable year, a taxpayer keeping its books and making its income tax returns on the accrual basis shall, in accordance with the principles applicable in the determination of earnings and profits, treat as a liability the Federal income and excess profits taxes imposed for the preceding taxable year. This rule is applicable whether or not such taxes were definite and ascertainable in amount at the close of the preceding year and whether or not such taxes were contested by the taxpayer. The provisions of the Excess Profits Tax Act of 1950 shall be taken into account for this purpose in determining the income and excess profits tax for taxable years ending after June 30, 1950. In general, subsequently enacted legislation will affect the tax computation for those prior taxable years for which returns are required to be filed after the enactment of such legislation.

PAR. 2. Section 40.458–4 is amended by striking the fourth sentence of paragraph (a) (1) and by inserting in lieu thereof the following: "In computing accumulated earnings and profits as of the beginning of the taxable year, a taxpayer keeping its books and making its income tax returns on the accrual basis shall, in accordance with the principles applicable in the determination of earnings and profits, subtract the Federal income and excess profits taxes imposed for the preceding taxable year. This rule is applicable whether or not such taxes were definite and ascertainable in amount at the close of the preceding year and whether or not such taxes were contested by the taxpayer. The provisions of the Excess Profits Tax Act of 1950 shall be taken into account for this purpose in determining the income and excess profits tax for taxable years ending after June 30, 1950. In general, subsequently enacted legislation will affect the tax computation for those prior taxable years for which returns are required to be filed after the enactment of such legislation."

[F. R. Doc. 52–13163; Filed, Dec. 12, 1952; 8:57 a. m.]

[26 CFR Part 405]

COLLECTION OF INCOME TAX AT SOURCE ON WAGES

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth below in tentative form are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in sections 1429 and 3791 (53 Stat. 178, 467; 26 U. S. C. 1429, 3791), and section 1627 (57 Stat. 138; 26 U. S. C. 1627), of the Internal Revenue Code.

[SEAL] JOHN S. GRAHAM,
Acting Commissioner of Internal Revenue.

In order to conform Regulations 116 (26 CFR, Part 405) to the provisions of section 321 of the Revenue Act of 1951, relating to earned income from sources without the United States, approved October 20, 1951, such regulations are hereby amended as follows:

PARAGRAPH 1. There is inserted immediately preceding § 405.101 the following:

SEC. 321. EARNED INCOME FROM SOURCES WITHOUT THE UNITED STATES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * * *

(b) *Withholding of tax on wages.* Section 1621 (a) (8) (A) (relating to definition of wages) is hereby amended to read as follows:

(A) for services for an employer (other than the United States or any agency thereof) performed in a foreign country by a citizen of the United States, if at the time of the payment of such remuneration the employer is required by the law of any foreign country to withhold income tax upon such remuneration, or it is reasonable to believe that such remuneration wil be excluded from gross income under the provisions of section 116 (a) (1) or (2), or.

(c) *Effective dates.* * * * The amendment made by subsection (b) shall be applicable with respect to wages paid on or after January 1, 1952.

PAR. 2. Section 405.102, as amended by Treasury Decision 5891, approved April 4, 1952, is further amended as follows:

(A) By inserting immediately after "January 1, 1948," in the headnote of paragraph (h) (2) thereof "and before January 1, 1952," so that such heading will read as follows:

(2) *Remuneration paid on or after January 1, 1948, and before January 1, 1952, to citizens resident in foreign countries.*

(B) By inserting immediately after "January 1, 1948," in the first sentence of paragraph (h) (2) thereof "and before January 1, 1952,".

(C) By redesignating paragraph (h) (3) thereof as paragraph (h) (4).

(D) By inserting immediately after paragraph (h) (2) (vi) thereof the following new subparagraph (3):

(3) *Remuneration paid on or after January 1, 1952, to citizens in foreign countries*—(i) *Elimination of double withholding.* (*a*) The remuneration paid on or after January 1, 1952, for services performed in a foreign country for

an employer (other than the United States or any agency or instrumentality thereof) by a citizen of the United States does not constitute wages under section 1621 (a) (8) (A) and hence is not subject to withholding, if at the time of the payment of such remuneration the employer is required by the law of any foreign country to withhold income tax upon such remuneration. Remuneration paid in respect of services performed in an area other than a foreign country, for example, the United States, a possession of the United States, or the high seas, shall not be excluded from wages under section 1621 (a) (8) (A).

(b) The remuneration is not exempt from withholding under this subdivision if the employer is not required by the law of a foreign country to withhold income tax upon such remuneration. Mere agreements between the employer and the employee whereby the estimated income tax of a foreign country is withheld from the remuneration in anticipation of actual liability under the law of such country will not suffice.

(c) The exemption from withholding provided by this subdivision does not apply by reason of withholding of income tax pursuant to the law of a possession or territory of the United States or of a political subdivision of a foreign state.

(d) A determination under the provisions of this subdivision that the remuneration is not wages and hence is not subject to withholding shall be made independently of the provisions of subdivisions (ii) and (iii) of this subparagraph.

(ii) *Resident of a foreign country.* (a) The remuneration paid on or after January 1, 1952, for services performed in a foreign country for an employer (other than the United States or any agency or instrumentality thereof) by a citizen of the United States does not constitute wages under section 1621 (a) (8) (A) and hence is not subject to withholding, if at the time of payment it is reasonable to believe that such remuneration will be excluded from gross income for the taxable year under the provisions of section 116 (a) (1). Section 116 (a) (1) provides that, in the case of an individual citizen of the United States who establishes to the satisfaction of the Commissioner that he has been a bona fide resident of a foreign country or countries for an uninterrupted period which includes an entire taxable year, all amounts received from sources without the United States (except amounts paid by the United States or any agency or instrumentality thereof) shall be excluded from gross income if such amounts constitute earned income, as defined in section 116 (a) (3), which is attributable to such uninterrupted period. See section 116 (a) and the regulations thereunder. Remuneration paid in respect of services performed in an area other than a foreign country, for example, the United States, a possession of the United States, or the high seas, shall not be excluded from wages under section 1621 (a) (8) (A).

(b) The reasonable belief mentioned in section 1621 (a) (8) (A) with respect to the exclusion of the remuneration from gross income may be based upon any evidence reasonably sufficient to induce such belief, even though such evidence might be insufficient upon closer examination by the Commissioner or the courts finally to establish the exclusion from gross income, and exemption from tax, allowed by section 116 (a) (1).

(c) If with respect to his taxable year the employee cannot possibly at the date prescribed by law or regulations for filing a return of income for such year have satisfied the bona fide foreign-residence requirement of section 116 (a) (1), then the remuneration paid in respect of and during such taxable year for services performed in the foreign country shall constitute wages subject to withholding, unless otherwise excluded by section 1621 (a), even though at the time of payment the employer has good reason to believe that ultimately such remuneration will be excluded from gross income under the provisions of section 116 (a) (1). For such purpose the taxable year of the employee shall, in the absence of information to the contrary, be deemed to be the calendar year. In general, if the remuneration paid during any calendar year, or portion thereof, must be returned by the employee as income, even though ultimately the employee may satisfy the bona fide foreign-residence requirement and thereby be entitled in respect of such remuneration to the exclusion provided by section 116 (a) (1), then such remuneration constitutes wages and hence is subject to withholding. Expectation of ultimate exclusion from gross income is not sufficient under this subdivision to exclude from wages remuneration which in the first instance must be returned as income.

(d) The employer may, in the absence of cause for a reasonable belief to the contrary, presume that remuneration for services performed in a foreign country during the taxable year will be excluded from gross income under the provisions of section 116 (a) (1) for each taxable year in respect of which the employee properly executes and files in duplicate with the employer a statement in the following form:

STATEMENT FOR CLAIMING BENEFIT OF SECTION 116 (a) (1) FOR CALENDAR YEAR _____ OR FISCAL YEAR BEGINNING _____ AND ENDING _____

(A) My name is _____. My present address is _____. I am employed by _____.

(B) My last address in the United States was _____. The collection district in which I filed my last income tax return was _____.

(C) I _____ file my income tax (Do or do not) return on the calendar-year basis.

(D) I file my income tax return on the basis of the fiscal year beginning _____, 19____, and ending _____, 19____.

(E) I am a citizen of the United States.

(F) I have been a bona fide resident of the following foreign country or countries, namely, _____, for an uninterrupted period which began on _____, 19____.

(G) I expect to remain a bona fide resident of a foreign country or countries from the date of this statement until the end of the taxable year in respect of which this statement is filed.

(H) On the basis of the facts in my case I have good reason to believe that at the date, namely, _____, 19____, prescribed by law or regulations for filing a return of income in respect of the taxable year I will have satisfied the bona fide foreign-residence requirement prescribed by section 116 (a) (1) of the Internal Revenue Code in respect of the above period of residence in a foreign country or countries falling within the taxable year.

(I) I understand that any exemption from withholding of tax permitted by reason of the filing of this statement is not a determination by the Commissioner of Internal Revenue that any remuneration paid to me for services performed in a foreign country during the taxable year is excludable from gross income under the provisions of section 116 (a) (1) of the Internal Revenue Code.

I declare under the penalties of perjury that this statement has been examined by me and to the best of my knowledge and belief is true and correct.

_____
(Signature of taxpayer)

Date _____, 19____.

(e) If with respect to any employee the employer was entitled (by reason of having received the above statement) to presume for two consecutive taxable years immediately preceding the first day of the employee's current taxable year that the employee's remuneration for services performed in a foreign country or countries during such preceding taxable years would be excluded from gross income for such taxable years under the provisions of section 116 (a) (1), he may, if such employee is residing in a foreign country on the first day of such current taxable year, presume that, in the absence at that time of clear and definite knowledge to the contrary, the remuneration for services performed in a foreign country during such current taxable year will be excluded from gross income for such year under the provisions of section 116 (a) (1). This presumption with respect to such current taxable year will apply whether or not a statement is filed by the employee for such year.

(f) The original of the statement filed with the employer shall be transmitted to the Director of Internal Revenue with the employer's return on Form 941 required by § 405.601 for the quarter of the calendar year within which such statement is filed. The duplicate copy of the statement shall be retained by the employer.

(g) A determination under the provisions of this subdivision that the remuneration is not wages and hence is not subject to withholding shall be made independently of the provisions of subdivisions (i) and (iii) of this subparagraph.

(iii) *Physical presence in a foreign country.* (a) The remuneration paid on or after January 1, 1952, for services performed in a foreign country for an employer (other than the United States or any agency or instrumentality thereof) by a citizen of the United States does not constitute wages under section 1621 (a) (8) (A) and hence is not subject to withholding, if at the time of payment it is reasonable to believe that such remuneration will be excluded from gross income for the taxable year under the provisions of section

116 (a) (2). Remuneration paid in respect of services performed in an area other than a foreign country, for example, the United States, a possession of the United States, or the high seas, shall not be excluded from wages under section 1621 (a) (8) (A).

(b) Section 116 (a) (2) provides that, in the case of an individual citizen of the United States who during any period of 18 consecutive months is present in a foreign country or countries during at least 510 full days in such period, all amounts received from sources without the United States (except amounts paid by the United States or any agency or instrumentality thereof) shall be excluded from gross income if such amounts constitute earned income, as defined in section 116 (a) (3), which is attributable to such period. See section 116 (a) and the regulations thereunder.

Example. At 2 p. m. on January 18, 1952, Mr. Brown, a citizen of the United States privately employed, arrived in England on a business trip from the United States. On May 19, 1952, at 10 p. m. he departed from England by steamer and arrived in the United States on May 25, 1952. After spending a period therein on official business, he left the United States by steamer on June 9, 1952, and arrived in France at 3 p. m., June 14, 1952. At 8 a. m. on February 3, 1953, he departed from France by airplane for a brief visit to Puerto Rico, arriving there on February 4; and thence went to England, arriving there at 1 a. m. on February 12, 1953, where he remained until midnight, July 18, 1953, at which time the 510 full-day requirement was satified in respect of the period of 18 consecutive months which began with January 19, 1952. Mr. Brown continued his presence in England, not leaving such country until 5 a. m. on November 18, 1953, at which time he departed for the United States. During the 18-month period commencing with January 19, 1952, and ending with the close of July 18, 1953, the taxpayer was in a foreign country or countries an aggregate of 510 full days; in addition, during the 18-month period commencing with June 16, 1952, and ending with the close of December 15, 1953, he was in a foreign country or countries an aggregate of 510 full days. The exemption from tax provided by section 116 (a) (2) will thus apply to the entire period which commences with January 19, 1952, and ends with the close of December 15, 1953.

(c) The reasonable belief mentioned in section 1621 (a) (8) (A) with respect to the exclusion of the remuneration from gross income may be based upon any evidence reasonably sufficient to induce such belief, even though such evidence might be insufficient upon closer examination by the Commissioner or the courts finally to establish the exclusion from gross income, and exemption from tax, allowed by section 116 (a) (2).

(d) If with respect to his taxable year the employee cannot possibly at the date prescribed by law or regulations for filing a return of income for such year have satisfied the 510 full-day requirement prescribed by section 116 (a) (2), then the remuneration paid in respect of and during such taxable year for services performed in the foreign country shall constitute wages subject to withholding, unless otherwise excluded by section 1621 (a), even though at the time of payment the employer has good reason to believe that ultimately such remuneration will be excluded from gross income under the provisions of section 116 (a) (2). For such purpose the taxable year of the employee shall, in the absence of information to the contrary, be deemed to be the calendar year. In general, if the remuneration paid during any calendar year, or portion thereof, must be returned by the employee as income, even though ultimately the employee may satisfy the 510 full-day requirement and thereby be entitled in respect of such remuneration to the exclusion provided by section 116 (a) (2), then such remuneration constitutes wages and hence is subject to withholding. Expectation of ultimate exclusion from gross income is not sufficient under this subdivision to exclude from wages remuneration which in the first instance must be returned as income.

Example. On April 1, 1952, Mr. Green, a citizen of the United States who files his return on a calendar-year basis, arrived in Peru to assume charge of the Peruvian branch of the X Corporation, a domestic entity, under the terms of a contract providing for services to be performed in Peru during a three-year period. Even though it is apparent in 1952 that, if the terms of the contract are complied with, Mr. Green will ultimately be entitled to exclude such remuneration from gross income under section 116 (a) (2), X Corporation must deduct and withhold the tax upon remuneration paid him in that year for services performed in Peru under the agreement. This is necessary in view of the fact that Mr. Green, when filing his return on June 15, 1953, must include such remuneration in gross income without regard to any refund or credit which may ultimately be made in respect of the tax thereon.

(e) The employer may, in the absence of cause for a reasonable belief to the contrary, presume that remuneration for services performed in a foreign country during the taxable year, or applicable portion thereof, will be excluded from gross income under the provisions of section 116 (a) (2) for each taxable year in respect of which the employee properly executes and files in duplicate with the employer a statement in the following form:

STATEMENT FOR CLAIMING BENEFIT OF SECTION 116 (a) (2) FOR CALENDAR YEAR ------ OR FISCAL YEAR BEGINNING ------- AND ENDING -------

(A) My name is ----------. My present address is ----------. I am employed by ----------.

(B) My last address in the United States was ----------. The collection district in which I filed my last income tax return was ----------.

(C) I ---------- file my income tax return on the calendar-year basis.
(do or do not)

(D) I file my income tax return on the basis of the fiscal year beginning ----------, 19----, and ending ----------, 19----

(E) I am a citizen of the United States.

(F) Except for occasional absences in areas outside a foreign country which have not disqualified me for the benefit of section 116 (a) (2) of the Internal Revenue Code, I have been present in the following foreign country or countries, namely, ----------, during the period of time which began on ----------, 19----.

(G) I expect to be present in a foreign country or countries, except for occasional absences in areas outside a foreign country not disqualifying me for the benefit of section 116 (a) (2), from the date of this statement until the end of the taxable year in respect of which this statement is filed, or, if not for such period, from the date of this statement until the following date within such taxable year, namely, ----------, 19----.

(H) On the basis of the facts in my case I have good reason to believe that at the date, namely, ----------, 19----, prescribed by law or regulations for filing a return of income in respect of the taxable year I will have satisfied the 510 full-day requirement prescribed by section 116 (a) (2) of the Internal Revenue Code in respect of the above period of presence in a foreign country or countries falling within the taxable year.

(I) In the event I become disqualified for the exclusion provided by section 116 (a) (2) in respect of all or part of the above period of presence in a foreign country or countries falling within the taxable year, I will immediately notify my employer, giving sufficient facts to indicate the part, if any, of such period falling within such year in respect of which I am qualified for such exclusion.

(J) I understand that any exemption from withholding of tax permitted by reason of the filing of this statement is not a determination by the Commissioner of Internal Revenue that any remuneration, paid to me for services performed in a foreign country during the period of presence in a foreign country or countries falling within the taxable year, is excludable from gross income under the provisions of section 116 (a) (2) of the Internal Revenue Code.

I declare under the penalties of perjury that this statement has been examined by me and to the best of my knowledge and belief is true and correct.

(Signature of taxpayer)

Date ----------, 19----.

(f) The original of the statement filed with the employer shall be transmitted to the Director of Internal Revenue with the employer's return on Form 941 required by § 405.601 for the quarter of the calendar year within which such statement is filed. The duplicate copy of the statement shall be retained by the employer.

(g) The term "foreign country", as used in this subdivision, does not include the United States, a possession of the United States, or the high seas; it does include the territorial waters of, and the air space over, a foreign country.

(h) A determination under the provisions of this subdivision that the remuneration is not wages and hence is not subject to withholding shall be made independently of the provisions of subdivisions (i) and (ii) of this subparagraph.

[F. R. Doc. 52-13162; Filed, Dec. 12, 1952; 8:56 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Petroleum Administration for Defense

[Pad Instruction No. 2, Revocation]

PAD INSTRUCTION NO. 2—ESTABLISHMENT OF COMMITTEES AND SUPPLY DIRECTORS

PAD Instruction No. 2 is hereby revoked.

This revocation does not relieve any person of any obligation or liability incurred under PAD Instruction No. 2, nor does this revocation deprive any person of any rights received or accrued under said order, as originally issued or as amended from time to time, prior to the effective date of this revocation.

(Sec. 704, 64 Stat. 816, as amended by 65 Stat. 131 and Pub. Law 429, 82d Cong., 50 U. S. C. App. Sup. 2154)

The effective date of this revocation shall be December 12, 1952.

DECEMBER 12, 1952.

OSCAR L. CHAPMAN,
Secretary of the Interior and Petroleum Administrator for Defense.

[F. R. Doc. 52–13225; Filed, Dec. 12, 1952; 11:53 a. m.]

DEPARTMENT OF COMMERCE

Office of the Secretary

UNDER SECRETARY OF COMMERCE FOR TRANSPORTATION

Paragraph 1 of the material appearing at 16 F. R. 11974, is hereby amended to read as follows:

1. The duties of the Deputy Under Secretary for Transportation shall be to assist the Under Secretary for Transportation in the performance of his duties under Reorganization Plan No. 21 of 1950 and Department Order No. 128 as amended August 6, 1951 (16 F. R. 8189) and as subsequently amended and supplemented, to the extent and in the manner directed by the Under Secretary for Transportation.

[SEAL] CHARLES SAWYER,
Secretary of Commerce.

[F. R. Doc. 52–13166; Filed, Dec. 12, 1952; 8:57 a. m.]

Federal Maritime Board

SKIBSAKTIESELSKAPET SEATTLE AND REDERI A.–B. PULP

NOTICE OF CANCELLATION OF AGREEMENT

Notice is hereby given that the Board by order dated November 19, 1952, approved the cancellation of the following described agreement pursuant to section 15 of the Shipping Act, 1916, as amended.

Agreement No. 7844 between Skibsaktieselskapet Seattle and Rederi A.–B. Pulp provided for the establishment and maintenance of a joint cargo, passenger and mail service under the trade name "Fruit Express Line" between United States and Canadian Pacific Coast ports and ports in Central America, Canal Zone, Colombia, Ecuador, Peru, Chile, West India, Caribbean Sea, Mediterranean Sea, and Europe.

Interested parties may obtain a copy of this agreement at the Regulation Office, Federal Maritime Board, Washington, D. C.

Dated: December 10, 1952.

By order of the Federal Maritime Board.

[SEAL] A. J. WILLIAMS,
Secretary.

[F. R. Doc. 52–13119; Filed, Dec. 12, 1952; 8:46 a. m.]

ECONOMIC STABILIZATION AGENCY

Office of Price Stabilization

[Ceiling Price Regulation 128, Special Order 1]

CORPS OF ENGINEERS, U. S. ARMY

CEILING PRICES FOR SHIP DECKING PURCHASED FOR THE U. S. NAVY

Statement of considerations. Ship decking is a highly specialized lumber item, produced by only a few large sawmills. In order to obtain an adequate supply of ship decking to meet its requirements, the U. S. Navy has authorized the purchase of ship decking which deviates from the grade specifications of the West Coast Bureau of Lumber Grades and Inspection, Grading Rules No. 14. The new Navy specification, therefore, requires the establishment of a ceiling price different from the ceiling prices for ship decking graded in exact accordance with West Coast Rules. The new specification permits a combination of defects found only by combining parts of West Coast Rules, Paragraphs 310 and 311.

CPR 128, section 45, Table 31, establishes base ceiling prices for decking grades under paragraph 310, the highest grade. Ceiling prices for lower grades are established through deductions from the base ceiling prices for the highest grade. The new Navy specification falls between West Coast Bureau specifications for paragraphs 310 and 311, in that it is in accordance with paragraph 311 except that it limits the size of knots to one inch or less and the slope of grain to one inch in ten. A lesser deduction is therefore required for the Navy specification than for decking graded under paragraph 311.

This order is accordingly issued to establish sellers' ceiling prices which will reflect the modification of requirements as specified in Paragraph 311. Ship decking for Navy use is procured by the Corps of Engineers, U. S. Army.

Special provisions. For the reasons set forth in the Statement of Considerations, and pursuant to Ceiling Price Regulation 128, this Special Order is hereby issued.

1. The ceiling price, f. o. b. mill, for the sale of Douglas Fir ship decking under paragraph 311 of the West Coast Bureau of Lumber Grades and Inspection, Grading Rules No. 14, as modified by paragraph 2 of this order, to the Corps of Engineers, U. S. Army, shall be $15.00 per M b. m. less than the ceiling prices as specified in CPR 128 for ship decking graded in accordance with paragraph 310 of Rules No. 14.

2. For sales of Douglas Fir ship decking to the Corps of Engineers, U. S. Army, pursuant to this Special Order, the requirements of paragraph 311 of Rules No. 14 shall be modified to the extent that the size of knots shall be limited to one inch or less and the slope of grain to one inch in ten.

Effective date. This Special Order 1 to Ceiling Price Regulation 128 shall become effective December 13, 1952.

JOSEPH H. FREEHILL,
Acting Director of Price Stabilization.

DECEMBER 12, 1952.

[F. R. Doc. 52–13240; Filed, Dec. 12, 1952; 11:28 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G–2027]

TEXAS EASTERN TRANSMISSION CORP.

ORDER FIXING DATE OF HEARING

DECEMBER 5, 1952.

On August 8, 1952, Texas Eastern Transmission Corporation (Texas Eastern), a Delaware corporation having its principal place of business at Shreveport, Louisiana, filed an application for a certificate of public convenience and necessity authorizing it to construct and operate a 24-inch river crossing of the Arkansas River near Little Rock, Arkansas, as described in the application on file with the Commission and open to public inspection.

The Commission finds: This proceeding is a proper one for disposition under the provisions of § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure, Applicant having requested that its application be heard under the shortened procedure provided by the aforesaid rule for noncontested proceedings, and no request to be heard, protest, or petition having been filed subsequent to the giving of due notice of the filing of the application, including publication in the FEDERAL REGISTER on August 23, 1952 (17 F. R. 7759).

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing be held on December 23, 1952, at 9:45 a. m., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C.,

concerning the matters involved and the issues presented by such application: *Provided, however,* That the Commission may, after a noncontested hearing, forthwith dispose of the proceeding pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(B) Interested State Commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of said rules of practice and procedure.

Date of issuance: December 8, 1952.

By the Commission.

[SEAL] J. H. GUTRIDE, *Acting Secretary.*

[F. R. Doc. 52–13137; Filed, Dec. 12, 1952; 8:51 a. m.]

[Docket No. G–2087]

TOWN OF BOYCE, LA.

NOTICE OF PETITION

DECEMBER 8, 1952.

Take notice that the Town of Boyce, Louisiana (Petitioner), a municipal corporation located in the Parish of Rapides, State of Louisiana, filed on November 14, 1952, a petition pursuant to section 7 of the Natural Gas Act for:

(1) An order directing Trunkline Gas Company (Trunkline) to establish physical connection of its transmission facilities near Boyce, Louisiana, with the proposed facilities of and to sell and deliver natural gas to Petitioner for resale as hereinafter described; and

(2) An order directing and requiring Trunkline to negotiate and enter into a gas supply contract with Petitioner under a schedule or schedules of rates specified or approved by such order; and

(3) An order amending or supplementing the certificate of public convenience and necessity issued to Trunkline to authorize and direct Trunkline to establish physical connection of its transmission facilities with the proposed facilities of and to sell and deliver natural gas to Petitioner.

Petitioner proposes to construct and operate a natural-gas transmission line from a point of interconnection with Trunkline's existing pipe line to its proposed distribution system, a distance of approximately 3.7 miles, and to construct and operate a distribution system within its corporate limits and the immediate surrounding area serving approximately 1,700 people. Natural gas is not presently distributed in the Town of Boyce. Petitioner requests that Trunkline be ordered and directed to sell and deliver gas to it in volumes not to exceed 400 Mcf a day. Petitioner has been authorized by its electorate to issue, sell and deliver $235,000 of bonds to finance the project.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 2d day of January 1953. The petition is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 52–13134; Filed, Dec. 12, 1952; 8:50 a. m.]

[Project No. 719]

JESSE I. SMITH

NOTICE OF APPLICATION FOR LICENSE

DECEMBER 10, 1952.

Public notice is hereby given that Jesse I. Smith, of Seattle, Washington, has filed application under the Federal Power Act (16 U. S. C. 791a–825r) for a new license for constructed water-power Project No. 719 located on James and Phelps Creeks, tributaries of Chiwawa River, in Chelan County, Wash., and consisting of a small diversion dam located on James Creek; 3,350 feet of penstock leading to a powerhouse; a small diversion dam located on Phelps Creek; 9,450 feet of flume and penstock leading to the same powerhouse; the powerhouse located near the junction of Phelps Creek and Chiwawa River and containing two units, one a 390-horsepower Pelton impulse turbine connected to a 300-kva generator and the other a 25-horsepower turbine connected to an 18-kw generator; and appurtenant facilities.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure of the Commission (18 CFR 1.8 or 1.10) on or before the 20th day of January 1953. The application is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 52–13147; Filed, Dec. 12, 1952; 8:52 a. m.]

[Project No. 2036]

EDNA L. SELBY

NOTICE OF ORDER EXTENDING TIME FOR COMPLETION OF CONSTRUCTION

DECEMBER 9, 1952

Notice is hereby given that on December 8, 1952, the Federal Power Commission issued its order entered December 2, 1952, in the above-entitled matter, extending time for completion of construction to June 1, 1953.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 52–13135; Filed, Dec. 12, 1952; 8:50 a. m.]

[Project No. 2121]

PUBLIC POWER AND WATER CORP.

NOTICE OF APPLICATION FOR LICENSE (MAJOR)

DECEMBER 8, 1952.

Public notice is hereby given pursuant to the provisions of the Federal Power Act (16 U. S. C. 791a–825r) that Public Power and Water Corporation, Trenton, New Jersey, has made application for license for a proposed water-power and navigation Project No. 2121 to be located on International Rapids Section of the St. Lawrence River near Massena, New York. The proposed project would consist of and include the portion of the Iroquois Control Dam to be located within the United States; the Long Sault Dam; the portion of the Barnhart Island powerhouse to be located within the United States with an installation of about 1,100,000 horsepower, a switchyard; a toll-free canal on the United States side with locks at Grass River and Robinson Bay; and appurtenant works and facilities. The normal pool level would be at elevation 238 feet for initial operation. The energy generated would be sold to customers at the switchyard to be located on the United States side of the river.

Any protest against approval of this application, or request for hearing thereon, or petition to intervene, giving reasons for such protest, request or intervention together with the name and address of the parties protesting, requesting or intervening should be submitted on or before the 19th day of January 1953 to the Federal Power Commission, Washington 25, D. C.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 52–13133; Filed, Dec. 12, 1952; 8:49 a. m.]

[Project No. 2121]

PUBLIC POWER AND WATER CORP.

ORDER FIXING HEARING

DECEMBER 9, 1952.

On December 4, 1952, Public Power and Water Corporation, with offices at 28 West State Street, Trenton, New Jersey, filed an application for a license under the Federal Power Act for a proposed navigation and hydrolelectric development, Project No. 2121, to be located in and along the International Rapids section of the St. Lawrence River on the United States side of the international boundary line in St. Lawrence County, New York. The application proposes construction of the same facilities as those covered by the application filed for Project No. 2000 by the Power Authority of the State of New York, plus a canal on the United States side paralleling the project.

On December 8th the applicant requested a hearing as soon as possible. Since notice of the application for Project No. 2121 has not been given as required by the Federal Power Act, the applicant should be given an opportunity to support its application, after which the hearing should be recessed until the conclusion of the publication of notice.

The Commission finds: The proposed project is of widespread interest and in view of the conflict with proposed Project No. 2000 it is desirable to hold a hearing respecting the matters and issues

presented therein following the conclusion of the hearing already scheduled on the application for Project No. 2000.

It is ordered that: Pursuant to the authority contained in and subject to the jurisdiction conferred upon it by the Federal Power Act and particularly sections 4, 6 and 308 thereof, and the Commission's rules of practice and procedure, a public hearing be held commencing at 10:00 a. m., on December 18, and continuing on December 19, 1952, in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., said hearing to be recessed at such time as may be appropriate to be resumed on February 2, 1953, at the same place.

Date of issuance: December 9, 1952.

By the Commission.[1]

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 52-13136; Filed, Dec. 12, 1952; 8:51 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-2958]

MISSOURI POWER & LIGHT CO.

ORDER GRANTING AUTHORITY TO ISSUE AND SELL SHORT TERM UNSECURED NOTES

DECEMBER 8, 1952.

Missouri Power & Light Company ("Missouri Power"), a public utility subsidiary of Union Electric Company of Missouri, a registered holding company and a public utility company, having filed a declaration pursuant to sections 6 (a) and 7 of the act and Rules U-20, U-23 and U-24, promulgated thereunder, with respect to the following proposed transactions:

Missouri Power proposes to enter into a loan agreement with the Chase National Bank of the City of New York whereby such bank will extend to the Company bank loans in the aggregate principal amount of $2,800,000. The first loan in the amount of $1,800,000 will be completed on or before December 10, 1952. The balance of the loan of $1,000,000 is to be made available as needed. Each loan will be evidenced by an unsecured promissory note, which notes in the aggregate will equal the principal amount of the loan. All such notes will mature on December 10, 1953, but may be prepaid without penalty. The interest on the initial loan will be at the rate of 3 percent per annum, and the interest rate on all other loans made as part of the proposed transactions will be at the bank's current prime rate of interest for such paper at the time of borrowing, but not to exceed 3¼ percent. The interest will be payable on June 10, 1953 and at maturity or earlier date of prepayment.

Declarant states that upon completion of the proposed initial loan, the Company will pay off $1,350,000 of unsecured promissory notes now outstanding and held by the Chase National Bank of the City of New York, and the balance of the proceeds of the initial loan will be added to the general funds of the Company to reimburse the treasury for capital expenditures previously made and for other corporate purposes. The balance of the loan is to be utilized as needed to finance the Company's construction program.

It is represented that no State or other Federal Commission has jurisdiction over the proposed transactions and that Missouri Power intends subsequently to fund the proposed loans through the issuance of stocks or bonds or other form of permanent financing.

Declarant estimates that the fees and expenses to be incurred in connection with the proposed transactions will not exceed $1,250, including $500 of legal fees. Declarant requests that the Commission's order herein become effective upon issuance.

Due notice having been given of the filing of the declaration, and a hearing not having been requested of or ordered by the Commission; and the Commission finding that the applicable provisions of the act and the rules promulgated thereunder are satisfied and that no adverse findings are necessary, and deeming it appropriate in the public interest and the interest of investors and consumers that said declaration be permitted to become effective forthwith:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of the act, that said declaration be, and it hereby is, permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-13142; Filed, Dec. 12, 1952; 8:51 a. m.]

[File No. 70-2959]

ARLINGTON GAS LIGHT CO.

ORDER AUTHORIZING ISSUANCE AND SALE OF PROPOSED NOTES

DECEMBER 9, 1952.

Arlington Gas Light Company ("Arlington"), a public-utility subsidiary company of New England Electric System, a registered holding company having filed a declaration with this Commission, pursuant to sections 6 (a) and 7 of the Public Utility Holding Company Act of 1935 and Rule U-23 thereunder, with respect to the following proposed transactions:

The declaration states that Arlington presently has outstanding $1,435,000 principal amount of 3¼ percent promissory notes, due April 1, 1953, issued pursuant to a bank loan agreement with the National City Bank of New York. Arlington proposes to issue to this bank, from time to time but not later than December 31, 1952, additional unsecured promissory notes in an aggregate principal amount not in excess of $350,000 and upon the same terms and conditions as the presently outstanding notes.

Arlington desires to issue the proposed notes in order to have available funds for the temporary financing of its construction program through December 31, 1952 and to reimburse its treasury for prior construction expenditures. Arlington proposes that if any permanent financing is done, the proceeds therefrom will be applied in reduction of, or in total payment of, promissory notes then outstanding, and the amount of authorized but unissued notes, if any, will be reduced by the amount, if any, by which such permanent financing exceeds the notes at the time outstanding.

The declaration states that incidental services in connection with the proposed note issues will be performed, at cost, by New England Power Service Company, an affiliated service company, such cost being estimated not to exceed $500. The declaration further states that no State commission or Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Arlington requests that the Commission's order herein become effective forthwith upon issuance.

Notice of the filing of the declaration having been given in the manner and form provided by Rule U-23 of the rules and regulations promulgated under the act, and a hearing not having been requested or ordered by the Commission within the time specified in said notice; and the Commission finding that the applicable provisions of the act and the rules and regulations promulgated thereunder are satisfied, and deeming it appropriate in the public interest and in the interest of investors and consumers that said declaration be permitted to become effective forthwith:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of the act, that said declaration be, and hereby is, permitted to become effective, subject to the terms and conditions prescribed in Rule U-24, and that this order shall become effective upon its issuance.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-13143; Filed, Dec. 12, 1952; 8.51 a. m.]

[File No. 70-2963]

OHIO EDISON CO.

NOTICE OF FILING REGARDING SALE OF COMMON STOCK THROUGH A RIGHTS OFFERING AND SALE OF PREFERRED STOCK AT COMPETITIVE BIDDING

DECEMBER 8, 1952.

Notice is hereby given that an application-declaration has been filed with this Commission by Ohio Edison Company ("Ohio Edison"), a registered holding company and a public utility company. The filing has designated sections 6 (a), 7, 12 (c) and 12 (d) of the act and Rules U-42 and U-50 as applicable to the proposed transactions, which are summarized as follows:

By order, dated November 21, 1952, the Commission authorized the submission by Ohio Edison to its stockholders of a proposed amendment to its Articles of Incorporation which would:

[1] Commissioners Doty and Draper dissenting.

(a) Increase the authorized number of shares of preferred stock, par value $100 per share, from 500,000 to 1,000,000; and

(b) Increase the par value of the shares of common stock from $8 per share to $12 per share.

A special stockholders meeting will be held on December 30, 1952, for the purpose of obtaining the requisite stockholder approval of the proposed amendment. Ohio Edison has proposed the following transactions subject to the obtaining of such approval.

Ohio Edison proposes to issue 479,846 shares of its common stock, which will have a par value of $12 per share. The shares of common stock are to be offered, during a period of approximately two weeks expiring January 23, 1953, to the holders of the outstanding common stock of the company for subscription in the ratio of 1 share of common stock for each 10 shares of common stock now held. The holders will also be given the privilege, subject to allotment, of oversubscribing at the subscription price.

The rights to subscribe and oversubscribe are to be evidenced by transferable subscription warrants. No fractional shares are to be issued. The warrants provide that persons subscribing for stock may direct the subscription agent to purchase additional rights required to complete a full share subscription or to sell rights in excess of full share subscriptions. In each case the purchase or sale may not exceed 9 rights for any single stockholder.

The above-described offering is to be underwritten and the company proposes to select the purchasers of any unsubscribed stock and any stock acquired by the company through stabilizing operations, as described below, at competitive bidding pursuant to Rule U-50. At least 42 hours prior to the time for the submission and opening of bids, Ohio Edison will advise the prospective bidders of the susbcription price per share, which will also be the price per share at which unsubscribed shares and any shares acquired by the company through stabilization operations will be sold to the successful bidder. The bidders will be required to specify an aggregate amount of compensation to be paid by the company for their commitments. Under the terms of the bidding the prospective purchasers must agree that, in the event any shares purchased by them from the company shall be sold by them prior to 30 days following the expiration of the subscription period for a price in excess of the subscription price plus $1.50 per share, the purchasers shall pay to the company 50 percent of such excess. The company requests that the ten-day period required by Rule U-50 to elapse between the time of inviting bids and the entering into of an agreement with respect to the sale of the common stock be shortened to six days.

Ohio Edison proposes, if considered necessary or desirable, to stabilize the price of the common stock of the company for the purpose of facilitating the offering and distribution of the additional shares of common stock. In connection therewith the company may, during the period commencing with the second full business day prior to the time for submission of bids for the purchase of the common stock and continuing until such time, purchase shares of its common stock, but not in excess of 47,984 shares, on the New York Stock Exchange, the Midwest Stock Exchange, or otherwise. Such purchases are to be made through brokers with the payment of regular stock exchange commissions.

On or about January 13, 1953, Ohio Edison also proposes to issue and sell, pursuant to the competitive bidding requirements of Rule U-50, 150,000 shares of __ percent Preferred Stock, $100 par value. The dividend rate and the price per share to be paid the company will be determined by competitive bidding, except that the invitation for bids will specify that the price to the company shall not be less than $100 per share or more than $102.75 per share.

The proceeds of the sale of the common stock and the preferred stock will be used for construction purposes.

The filing indicates that the issuance and sale of the common stock and the issuance and sale of the preferred stock are subject to authorization by the Public Utilities Commission of Ohio.

It is requested that the Commission's order herein become effective upon issuance.

Notice is further given that any interested person may, not later than December 29, 1952, at 5:30 p. m., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after said date, the application-declaration, as filed or as amended, may be granted and permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rules U-20 and U-100 thereof.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 52-13144; Filed, Dec. 12, 1952; 8:51 a. m.]

OFFICE OF DEFENSE MOBILIZATION

[CDHA 94]

FINDING AND DETERMINATION OF CRITICAL DEFENSE HOUSING AREAS UNDER THE DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

DECEMBER 11, 1952.

Upon a review of the construction of new defense plants and installations, and the reactivation or expansion of operations of existing defense plants and installations, and the in-migration of defense workers or military personnel to carry out activities at such plants or installations and the availability of housing and community facilities and services for such defense workers and military personnel in the area set forth below, I find that all of the conditions set forth in section 101 (b) of the Defense Housing and Community Facilities and Services Act of 1951 (Pub. Law 139, 82d Cong., 1st Sess.) exist.

Accordingly, pursuant to section 101 of the Defense Housing and Community Facilities and Services Act of 1951 and by virtue of the authority vested in me by paragraph number 1 of Executive Order 10296 of October 2, 1951, I hereby determine that said area is a critical defense housing area.

Glendive-Sidney, Montana, Area. (The area consists of all of Dawson and Richland Counties, and all of Roosevelt County except that portion lying west of School District 9, all in Montana.)

HENRY H. FOWLER,
Director of Defense Mobilization.

[F. R. Doc. 52-13203; Filed, Dec. 11, 1952; 3:54 p. m.]

[CDHA 95]

FINDING AND DETERMINATION OF CRITICAL DEFENSE HOUSING AREAS UNDER THE DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

DECEMBER 11, 1952.

Upon a review of the construction of new defense plants and installations, and the reactivation or expansion of operations of existing defense plants and installations, and the in-migration of defense workers or military personnel to carry out activities at such plants or installations and the availability of housing and community facilities and services for such defense workers and military personnel in the area set forth below, I find that all of the conditions set forth in section 101 (b) of the Defense Housing and Community Facilities and Services Act of 1951 (Pub. Law 139, 82d Cong., 1st Sess.) exist.

Accordingly, pursuant to section 101 of the Defense Housing and Community Facilities and Services Act of 1951 and by virtue of the authority vested in me by paragraph number 1 of Executive Order 10296 of October 2, 1951, I hereby determine that said area is a critical defense housing area.

Birdsboro, Pennsylvania, Area. (The area consists of Birdsboro Borough in Berks County, Pennsylvania.)

HENRY H. FOWLER,
Director of Defense Mobilization.

[F. R. Doc. 52-13204; Filed, Dec. 11, 1952; 3:54 p. m.]

UNITED STATES TARIFF COMMISSION

[Investigation No. 20]

ROSARIES

NOTICE OF HEARING

A public hearing has been ordered by the United States Tariff Commission to be held in the Hearing Room, Tariff

Commission Building, Eighth and E Streets NW., Washington, D. C., beginning at 10 a. m., on May 4, 1953, in the investigation with respect to Rosaries instituted on September 19, 1952, under section 7 of the Trade Agreements Extension Act of 1951 (17 F. R. 8524).

Request to appear. Parties desiring to appear, to produce evidence, and to be heard at the public hearing should file request in writing with the Secretary, United States Tariff Commission, Washington 25, D. C., in advance of the date of the hearing.

I certify that the above public hearing was ordered by the Tariff Commission on the 8th day of December 1952.

Issued: December 9, 1952.

[SEAL] DONN N. BENT,
Secretary.

[F. R. Doc. 52–13158; Filed, Dec. 12, 1952; 8:55 a. m.]

[Investigation No. 21]

WATCH BRACELETS AND PARTS THEREOF OF METAL OTHER THAN GOLD OR PLATINUM

NOTICE OF HEARING

A public hearing has been ordered by the United States Tariff Commission to be held in the Hearing Room, Tariff Commission Building, Eighth and E Streets NW., Washington, D. C., beginning at 10 a. m. on May 11, 1953, in the investigation with respect to watch bracelets and parts thereof of metal other than gold or platinum instituted on September 26, 1952, under section 7 of the Trade Agreements Extension Act of 1951 (17 F. R. 8792).

Request to appear. Parties desiring to appear, to produce evidence, and to be heard at the public hearing should file request in writing with the Secretary, United States Tariff Commission, Washington 25, D. C., in advance of the date of the hearing.

I certify that the above public hearing was ordered by the Tariff Commission on the 8th day of December 1952.

Issued: December 9, 1952.

[SEAL] DONN N. BENT,
Secretary.

[F. R. Doc. 52–13157; Filed, Dec. 12, 1952; 8:55 a. m.]

SMALL DEFENSE PLANTS ADMINISTRATION

[S. D. P. A. Pool Request 7]

REQUEST TO TRI-STATE DEFENSE INDUSTRIES, INC., TO OPERATE AS A SMALL BUSINESS PRODUCTION POOL AND REQUEST TO CERTAIN COMPANIES TO PARTICIPATE IN OPERATIONS OF SUCH POOL

Correction

In F. R. Doc. 52–12990, appearing at page 11183 of the issue for Wednesday, December 10, 1952, the date "December 12, 1952" in the date line should read "December 4, 1952".

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 27608]

SODA ASH FROM SALTVILLE, VA., TO GEORGETOWN, S. C., AND SAVANNAH AND PORT WENTWORTH, GA.

APPLICATION FOR RELIEF

DECEMBER 10, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for carriers parties to schedule listed below.

Commodities involved: Soda ash (other than modified soda ash), carloads.

From: Saltville, Va.

To: Georgetown, S. C., Savannah and Port Wentworth, Ga.

Grounds for relief: Competition with rail and water carriers.

Schedules filed containing proposed rates: C. A. Spaninger, Agent, I. C. C. No. 1251, Supp. 37.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD,
Acting Secretary.

[F. R. Doc. 52–13124; Filed, Dec. 12, 1952; 8:47 a. m.]

[4th Sec. Application 27609]

CRUDE SULPHUR FROM LOUISIANA AND TEXAS TO CALVERT, KY.

APPLICATION FOR RELIEF

DECEMBER 10, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: F. C. Kratzmeir, Agent, for carriers parties to schedule listed below.

Commodities involved: Crude sulphur, carloads.

From: Points in Louisiana and Texas.

To: Calvert, Ky.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: F. C. Kratzmeir, Agent, I. C. C. No. 3862, Supp. 163.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD,
Acting Secretary.

[F. R. Doc. 52–13125; Filed, Dec. 12, 1952; 8:47 a. m.]

[4th Sec. Application 27610]

ILMENITE ORE FROM MELBOURNE, FLA., TO CARTERET, N. J.

APPLICATION FOR RELIEF

DECEMBER 10, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for carriers parties to schedule listed below.

Commodities involved: Ilmenite ore, carloads.

From: Melbourne, Fla.

To: Carteret, N. J.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: C. A. Spaninger, Agent, I. C. C. No. 1188, Supp. 57.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD,
Acting Secretary.

[F. R. Doc. 52–13126; Filed, Dec. 12, 1952; 8:48 a. m.]

[4th Sec. Application 27611]

PIG IRON FROM DAINGERFIELD AND LONE STAR, TEX., TO EMPORIA, ENTERPRISE, AND SALINA, KANS.

APPLICATION FOR RELIEF

DECEMBER 10, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: F. C. Kratzmeir, Agent, for The Atchison, Topeka and Santa Fe Railway Company and other carriers.

Commodities involved: Pig iron, carloads.

From: Daingerfield and Lone Star, Tex.

To: Emporia, Enterprise, and Salina, Kans.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: F. C. Kratzmeir, Agent, I. C. C. No. 3960, Supp. 27.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD,
Acting Secretary.

[F. R. Doc. 52-13127; Filed, Dec. 12, 1952; 8:48 a. m.]

[4th Sec. Application 27612]

MOTOR-RAIL-MOTOR RATES BETWEEN BOSTON, MASS., AND NEW HAVEN, CONN.

APPLICATION FOR RELIEF

DECEMBER 10, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: The New York, New Haven and Hartford Railroad Company and Hemingway Brothers Interstate Trucking Company.

Commodities involved: Semi-trailers, loaded with freight or empty, on flat cars.

Between Boston, Mass., and New Haven, Conn.

Grounds for relief: Competition with motor carriers.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD,
Acting Secretary.

[F. R. Doc. 52-13128; Filed, Dec. 12, 1952; 8:48 a. m.]

[4th Sec. Application 27613]

PAPER FROM PALATKA, FLA., TO EAST ST. LOUIS, ILL., AND ST. LOUIS, MO.

APPLICATION FOR RELIEF

DECEMBER 10, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: The St. Louis-San Francisco Railway Company for carriers parties to Agent C. A. Spaninger's tariff I. C. C. No. 1218, pursuant to fourth-section order No. 16101.

Commodities involved: Paper and related articles, carloads.

From: Palatka, Fla.

To: East St. Louis, Ill., and St. Louis, Mo.

Grounds for relief: Competition with rail carriers, circuitous routes, and operation through higher-rated territory.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD,
Acting Secretary.

[F. R. Doc. 52-13129; Filed, Dec. 12, 1952; 8:48 a. m.]

[4th Sec. Application 27614]

PETROLEUM PRODUCTS FROM PACIFIC COAST TERRITORY, TO BUTTE AND HELENA, MONT.

APPLICATION FOR RELIEF

DECEMBER 10, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: W. R. Watson, Agent, for the Great Northern Railway Company.

Commodities involved: Gasoline and other petroleum products, in tank-car loads.

From: Pacific coast territory.

To: Butte and Helena, Mont.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: W. R. Watson, Agent, I. C. C. No. 761, Supp. 165.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD,
Acting Secretary.

[F. R. Doc. 52-13130; Filed, Dec. 12, 1952; 8:49 a. m.]

[4th Sec. Application 27615]

MOTOR-RAIL-MOTOR RATES BETWEEN SPRINGFIELD, MASS., AND HARLEM RIVER, N. Y.

APPLICATION FOR RELIEF

DECEMBER 10, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: The New York, New Haven and Hartford Railroad Company and the H. T. Smith Express Company.

Commodities involved: Semi-trailers, loaded with freight or empty, on flat cars.

Between Springfield, Mass., and Harlem River, N. Y.

Grounds for relief: Competition with motor carriers.

Any interested person desiring the Commission to hold a hearing upon such

application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD,
Acting Secretary.

[F. R. Doc. 52–13131; Filed, Dec. 12, 1952; 8:49 a. m.]

[4th Sec. Application 27616]

SHOCK ABSORBERS AND BRAKE CYLINDERS FROM DAYTON, OHIO, TO WOBURN, MASS.

APPLICATION FOR RELIEF

DECEMBER 10, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: L. C. Schuldt, Agent, for carriers parties to his tariff I. C. C. No. 3758, pursuant to fourth-section order No. 17220.

Commodities involved: Shock absorbers and hydraulic brake cylinders, carloads.

From: Dayton, Ohio.

To: Woburn, Mass.

Grounds for relief: Competition with rail carriers and circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD,
Acting Secretary.

[F. R. Doc. 52–13132; Filed, Dec. 12, 1952; 8:49 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

[Vesting Order 19084]

MARIE WALFRIEDA ENGLERT

In re: Estate of Marie Walfrieda Englert, deceased. File No. 017–27757.

Under the authority of the Trading With the Enemy Act, as amended (50 U. S. C. App. and Sup. 1–40); Public Law 181, 82d Congress, 65 Stat. 451; Executive Order 9193, as amended by Executive Order 9567 (3 CFR, 1943 Cum. Supp.; 3 CFR, 1945 Supp.); Executive Order 9788 (3 CFR, 1946 Supp.) and Executive Order 9989 (3 CFR, 1948 Supp.), and pursuant to law, after investigation, it is hereby found:

1. That Anna Haun, Rose Kunkle, Helen Englert, Anton Englert, and August Englert, whose last known address is Germany, on or since December 11, 1941, and prior to January 1, 1947, were residents of Germany and are, and prior to January 1, 1947, were nationals of a designated enemy country (Germany);

2. That all right, title, interest and claim of any kind or character whatsoever, of the persons named in subparagraph 1 hereof, in and to the Estate of Marie Walfrieda Englert, deceased, is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to or which is evidence of ownership or control by the aforesaid nationals of a designated enemy country (Germany);

3. That such property is in the process of administration by Samuel Sapowitch, as administrator, acting under the judicial supervision of the Surrogate's Court of Erie County, State of New York;

and it is hereby determined:

4. That the national interest of the United States requires that the persons named in subparagraph 1 hereof, and each of them, be treated as persons who are and prior to January 1, 1947, were nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States, the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 10, 1952.

For the Attorney General.

[SEAL] ROWLAND F. KIRKS,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 52–13154; Filed, Dec. 12, 1952; 8:53 a. m.]

[Vesting Order 19085]

VICTOR HENRY DE SOMOSKEOY, JR.

In re: Guardianship Estate of Victor Henry de Somoskeoy, Jr. File D–66–302 and G–1; E. T. Sec. 2522.

Under the authority of the Trading With the Enemy Act, as amended (50 U. S. C. App. and Sup. 1–40); Public Law 181, 82nd Congress, 65 Stat. 451; Executive Order 9193, as amended by Executive Order 9567 (3 CFR 1943 Cum. Supp.; 3 CFR 1945 Supp.); Executive Order 9788 (3 CFR 1946 Supp.) and Executive Order 9989 (3 CFR 1948 Supp.), and pursuant to law, after investigation, it is hereby found:

1. That Victor Henry de Somoskeoy, Jr., whose last known address is Germany, on or since December 11, 1941, and prior to January 1, 1947, was a resident of Germany and is, and prior to January 1, 1947, was a national of a designated enemy country (Germany);

2. That all the property and estate of Victor Henry de Somoskeoy, Jr., of any nature whatsoever in the possession of the First National Bank and Trust Company of La Porte, as guardian of the estate of Victor Henry de Somoskeoy, Jr., is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by the aforesaid national of a designated enemy country (Germany);

3. That such property is in the process of administration by the First National Bank and Trust Company of La Porte, as guardian, acting under the judicial supervision of the La Porte Circuit Court of La Porte County, Indiana;

and it is hereby determined:

4. That the national interest of the United States requires that the person identified in subparagraph 1 hereof be treated as a person who is and prior to January 1, 1947, was a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, subject to all lawful fees and expenses of said First National Bank and Trust Company of La Porte, as guardian of the estate of Victor Henry de Somoskeoy, Jr., to be held, used, administered, liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 10, 1952.

For the Attorney General.

[SEAL] ROWLAND F. KIRKS,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 52–13155; Filed, Dec. 12, 1952; 8:54 a. m.]

[Vesting Order 16989, Amdt.]

LORENZ DURLER

In re: Estate of Lorenz Durler, deceased. D 28–12905.

Vesting Order 16989 dated January 11, 1951, is hereby amended as follows and not otherwise:

By changing paragraph 3 thereof to read as follows:

3. That all right, title, interest and claim of any kind or character whatsoever of the persons named in subparagraphs 1 and 2 hereof in and to the sum of $4,247.35, paid to the State Controller for the State of California, Sacramento, California, on October 3, 1944, pursuant to an order of the Superior Court of the State of California in and for the County of Yolo, California, in the Matter of the Estate of Lorenz Durler, deceased, and any and all additions thereto, including all right, title, interest and claim of said persons in and to a certain proceeding to recover the proceeds of escheated property, brought pursuant to the provisions of Secs. 1026 and 1027 of the Probate Code of California, in which Rosa K. Liebermann, Anne L. Dierker, Marie M. Liebermann, Benedict A. Liebermann, Helena L. Markel, Agnes C. Liebermann, Ruth B. Liebermann, Anna D. Clatz, Rosa Durler, Luise D. Sibald, Emma D. Griephaber, Berta D. Hermann, Paul Durler, Friedrich Durler, Marie D. Kaffer, Rosa Durler, Anna Durler, Karl Durler, Johann Durler, Marie Durler, Ernst Durler, Luise Durler, Franz Durler, Friedrich P. Durler, Klara Durler, and Maria Erika Durler are plaintiffs, and the State of California is defendant, which proceeding is Case No. 435547 in the Superior Court of the State of California in and for the County of Los Angeles, is property within the United States, owned or controlled by, payable or deliverable to, held on behalf of or on account of or owing to, or which there is evidence of ownership or control by the aforesaid nationals of a designated enemy country (Germany).

All other provisions of said Vesting Order 16989 and all actions taken by or on behalf of the Attorney General of the United States in reliance thereon, pursuant thereto and under the authority thereof are hereby ratified and confirmed.

Executed at Washington, D. C., on December 10, 1952.

For the Attorney General.

[SEAL] ROWLAND F. KIRKS,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 52–13156; Filed, Dec. 12, 1952; 8:54 a. m.]